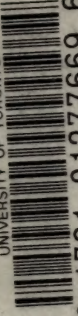


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# I N D I A;

OR

## FACTS

SUBMITTED TO ILLUSTRATE  
THE CHARACTER AND CONDITION  
OF THE  
NATIVE INHABITANTS.

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BY R. RICKARDS, ESQ.

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I take goodness in this sense — the seeking the weal of men — which is that the Grecians call *philanthropia*. This, of all virtues and dignities of the mind, is the greatest, being the character of the Deity — and, without it, man is a busy, mischievous, wretched thing — no better than a kind of vermin.

BACON'S *Essays*, vol. ii. p. 280.

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VOL. II.

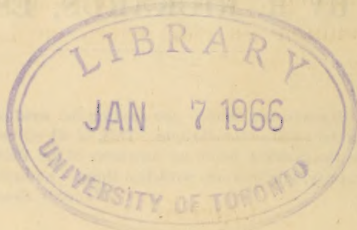
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OF  
THE SECOND VOLUME.

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PART III.—CHAPTER II.

ON THE EFFECTS OF THE REVENUE SYSTEM OF INDIA  
AS REGARDS THE TREATMENT AND CONDITION  
OF THE PEOPLE, AND THE REVOLUTION IT  
HAS OCCASIONED IN THE STATE OF LANDED  
PROPERTY.

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PART IV.

AN EXPOSITION OF THE RESULTS OF THE EAST  
INDIA COMPANY'S TRADE IN A POLITICAL AND  
FINANCIAL POINT OF VIEW, FROM 1600 TO THE  
PRESENT TIME.





## ADVERTISEMENT

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IN offering to the public the second chapter on the revenue systems of India, it may be necessary to apologize, again, for the length of its explanations and details. The subject being about to undergo public discussion, many persons may reasonably be supposed to desire minute information on questions of so much national importance. In this, and the preceding chapter, an attempt has therefore been made to furnish that detailed information, without which our administrative system abroad could not be understood in this country, or the facts on which it rests be altogether credited.

Among other details the story of Cass Chitty, Section IV., may be thought to be drawn into too great length; but, *at this particular crisis*, its prolixity will, perhaps, be pardoned, when it is considered that it is only one case among many; and given as a specimen of the conduct to which subordinate officers are too

frequently incited when, as in our systems, the chances of concealment and success are so greatly in their favor. In this, as in other branches of the administration, varieties will doubtless be found. Corruption may not be so common under a very able and vigilant collector. Extraordinary men will always produce extraordinary results ; but such men, and such results, be it remembered, are not of every-day occurrence.

Whether, therefore, the views I have deduced from known and recorded facts be right or wrong, an enlightened public must now judge.

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# I N D I A.

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## PART III.

### REVENUE SYSTEM—CONTINUED.

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#### CHAPTER II.

ON THE EFFECTS OF THE REVENUE SYSTEM OF INDIA,  
AS REGARDS THE TREATMENT AND CONDITION OF THE  
PEOPLE, AND THE REVOLUTION IT HAS OCCASIONED  
IN THE STATE OF LANDED PROPERTY.

#### SECTION I.

Introductory Remarks. Principles and Effects of the Mussulman Financial System. Its chief provincial Officers. An Indian Soubah compared with a Turkish Pachalic. Mussulman exactions.

HAVING given an account of the Revenue Systems actually existing in the Company's territorial possessions in India, it may be useful to illustrate, more at length, some of the most important effects of these systems on the state of society, in order to judge how far it may be wise or politic to continue them, or any of them,

in full force, or to modify or to change them for something better.

We are told that ever since India has been subjected to settled governments, and inhabited by a civilized people, it has been the established and uniform practice for the ruling authorities to draw all, or almost all, their resources from the produce of agriculture. This, indeed, is the natural course, and perhaps the only alternative, of despotic power in every region. The subjects of a rigorous despot must necessarily be poor. Industry is but little stimulated except for the means of subsistence. That subsistence is derived from the soil. It becomes almost the only source of wealth. An arbitrary ruler therefore has naturally recourse to that fund from which alone his wants can be supplied; and not being squeamish as to the amount of his exactions, his portion, in one way or another, is sure to bear a constant ratio to the illimitability of his power. In the early history of nations, we accordingly find the practice very generally prevailing of dividing the produce of land, in certain proportions, between the sovereign and his subjects; or, perhaps more frequently, of the sovereign being the greatest landed proprietor of his dominions. In both cases, however, the only

wealth — the only fund — whence a public revenue can be derived, is the net produce of land. As that produce will always be great in fertile countries, where cultivation, and population, know no other limit than the too great difficulty, or expence, of raising food; and as royal despots very naturally conceive that no person in their dominions has so good a right as themselves to be rich, and that the greatest merit of faithful subjects is to contribute largely to royal wants; it is no uncommon thing, in the most productive countries of the globe, to see great wealth accumulated by the ministers of power and religion, coupled with starvation and beggary in every corner of the land, beyond the dwellings of royalty and its minions, or the temples and residences of the priesthood.

In densely peopled countries, where avaricious rulers have by degrees grasped to themselves a portion of all the products of the earth as revenue, to which they super-add a multitude of other duties, mostly affecting the cultivators of the soil, assessments necessarily become too complicated to admit of being reduced to any fair, just, or equal rates. Discretion is then the measure of exaction. Cunning and artifice on the part of the many, are thus



roused into action to ward off the extortion of their governors. Difficulties are multiplied ; and as a government, under these circumstances, fancies itself entitled to the minutest information regarding the cultivation, produce, and occupancy of lands, so as not to be defrauded of a particle of its asserted rights, legions of public officers are employed, not for purposes of protection or just government, but to look after the revenues of the state ; to oppose the strong hand of power to the weak efforts of evasion ; and to absorb every atom of surplus, beyond what the bare subsistence of its necessary producers indispensably requires.

It is thus obviously natural, that a land tax, the only original source of public revenue, should grow into excess in the hands of irresistible power. An excessive increase, with multiplied sources of taxation, leads to corresponding complication in the details. Large establishments of public servants are demanded to realize an impracticable system ; and, having the twofold object in view of satisfying the expectations of their superiors, and, at the same time, of feathering their own nests, they naturally become petty tyrants, and are aptly designated, in the language of a native historian, “ as vul-

tures who gnaw the very bowels of their country.”\*

In the time of the Mussulmans, Firmans, or patents of appointment, were given to the principal public officers of the state, with instructions for the execution of their public duties, from which much may be collected as to the nature of those duties, as well as the effects they produced. Of the officers immediately about the Imperial person and court, it is unnecessary to speak. They were much the same as those that are to be found in all arbitrary monarchies—some for useful purposes—others for parade, caprice, or show. For the same reason, it is unnecessary to describe the constitution of the armies of Hindostan. Enough has been said of their proceedings, under their respective rulers and commanders, in preceding pages. It is of more importance here to notice those whose duties brought them into constant and direct contact with the people at large, throughout the various provinces of the empire; many of whom, with the same, or analogous, duties, have been continued in the administration of the British government.

The empire being divided into Soubahs or provinces, the chief governor or viceroy was variously denominated Soubahdar, Se-

---

\* *Vide Vol. p. I. 187.*

pahsillar, Nazim, and Nawab. According to the Ayen Akbery, this officer was “ his “ majesty’s vicegerent. The troops and subjects of the Soubah are under his orders ; “ and the prosperity thereof depends upon “ his impartial distribution of justice.” The power of this officer was unlimited within the province. Life and death were in his hands. He was moreover answerable for the regular transmission of the revenues of his Soubah to the Khalsa, or exchequer. But having, as we have already seen, always in view the realization of private or personal wealth — to establish, when opportunity occurred, his own independence — whilst the object of his royal master was, for the same reason, to keep him poor ; jealousy, distrust, and deception were thus raised into fixed habits on both sides ; particularly as no means existed for settling differences between the parties, except, as in Turkey, by the dagger, decapitation, or recurrence to the power of the sword.\*

The emperor, therefore, required from his viceroy all that could be procured in the

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\* Mr. Orme says of these Viceregents, that “ their contumacy in resisting their sovereign, and battling among “ themselves, was continually productive of such scenes of “ bloodshed, and of such deplorable devastation, as no other “ nation in the universe is subject to.” — Orme, on the Government and People of Hind. p. 399.

shape of revenue ; whilst, after the transmission of a stipulated sum to the imperial exchequer, the Soubahdar had irresistible motives for draining from the subordinate officers, and these, again, for extorting from the Ryots of the province, all that was possible for their own private benefit. Hence it is easy to perceive how the wealth of the country, as it was annually created, found its way to certain depôts, whence it never again issued but to supply the wasteful extravagance of luxurious despots, or for purposes of violence, treachery, and blood, or as prize to the strongest arm. Its producers were stimulated to annual reproduction by the irresistible necessity of providing for their own (however scanty) subsistence ; so that the surplus of every succeeding year followed that of its precursor, to be buried in the coffers of its merciless spoilers.

Under the orders of the Soubahdar, or Viceroy, was a Foujdar or officer entrusted with the charge of several pergunnahs, or districts, of the province. His duty included that of a police magistrate. He took cognizance of criminal matters within his jurisdiction ; and sometimes was employed as receiver-general of the revenues ; for all which he had troops under his orders, with corps of native militia called Fouj Sibbendy. His instructions refer chiefly to the necessity of looking



after disobedient Zemindars, and of reclaiming them, if possible, by fair means ; if not, of inflicting proper punishment, which, of course, was left to his own discretion. When he had possessed himself of the strong hold of the rebels, he was required to “act with fidelity in the division of the plunder, a fifth part of which he shall send to the royal exchequer ; and if, after making the division, there be any remainder, that shall also be the property of the state.” The nature of those powers is a sufficient warrant that they never would be leniently exercised ; and, when combined with the influence of his immediate superior in the province, that the duty also would never be honestly performed.

There were Courts, called Courts of Justice, in the provinces, in which a Meer Adul, and a Cazy presided. The Cazy was appointed to try causes, the Meer Adul to pass sentence, and order punishment. The chief Civil Judge of the province was called Dewan ; he was also chief minister of the revenue department. He received his office from the Emperor, but was always the slave of the Soubahdar. Mr. Orme says that he united in his person the offices of Prime Minister, Chancellor and Secretary of State, and that from his decisions there was no appeal.

We have already seen that in these tri-

bunals, justice was but a mockery of the term ; and Courts only used as instruments of exaction in the shape of legal fees, or in the shameless sale to the highest bidder of judicial decisions, against which relief was altogether hopeless.

The internal police of large towns and cities was entrusted to an officer denominated Cutwal, with a suitable establishment under him. The business of the Cutwal, under pretence always of order and peace, involved the superintendence of as complete a system of espionage, and of secret prying into the affairs of individuals, as is to be found among the most finished contrivances of this sort in the Western world. Dividing the city into quarters, he appointed a superintendant to each, by whom he was furnished with a regular journal of the occurrences of the quarter. In each quarter he had his spies ; and, over these, other spies unknown to the former. Strangers and travellers were strictly watched, and places allotted for their residence. Among other duties, the Cutwal was required to attend carefully to the income and expences of every man. Out of each class of artificers, he selected one to be at their head, and appointed another their broker for buying and selling ; and regulated the business of the class by the reports of these officers. He was made responsible for stolen goods, unless he

produced the real or alleged thief. He was empowered to regulate weights and measures, the currency of coins, and the market prices of commodities ; to prohibit the use of spirituous liquors ; and to take charge of the effects of persons dying without heirs. Subject to his controul and arrangement, were also the supplying of water, and water courses ; the slaughtering of animals ; burning of women, or suffering them to ride on horseback. He was also to separate butchers, executioners, and other unclean persons from the rest of the community ; to prevent the confinement of persons without authority ; or the selling of slaves. He was not to suffer any one to go out of the city to purchase grain, or the rich to buy more than necessary for their own consumption. These, and other similar duties, gave ample scope to the exactions of the Cutwal ; the inhabitants being every where glad to purchase either his favour, or exemption from his vexatious interference, by such pecuniary sacrifices or contributions, as it was in their power respectively to make for the purpose ; and in Asiatic monarchies, where public offices were considered mere patents to enrich the holder, and every holder a fool that suffered himself to languish in poverty, it was not to be expected that Cutwals would display more forbearance than other func-

tionaries. Numerous subordinate officers as Daroghas, Dehdars, Negabaun, Tanahdar, Talliar, Totie, Pykes,\* &c. were likewise maintained nominally for the protection of the inhabitants, but used too often as the instruments of their oppression.

Besides these officers, appointed for general and police purposes, a multitude of others were attached to the Revenue Department; but subordinate of course to the chief financial minister (*p. 8.*) called Dewan. These may be divided into two classes, viz.

\* *Darogha* — Superintendant or overseer of any department, as of the police, mint, &c.

*Dehdar* — Village-keeper; an inferior officer of police; one of whose duties was to distrain the crop, when necessary to secure the revenue.

*Negabaun* — Watchman or guard; petty officer of police called also Pasbaun, Gorial, &c.

*Tanahdar* — The keeper or commandant of a Tannah (police station or post); a petty police officer, whose jurisdiction is subordinate to that of a Darogha.

*Talliar* — A guard or watchman; village police officer in the Peninsula, who gives information of crimes and offences, and escorts and protects persons travelling to neighbouring villages.

*Totie* — A village police officer, whose duties are confined more immediately to the village, but who also guards the crops, and assists in measuring them.

*Pyke* — A foot messenger; a person employed as a night-watch in a village, and as a runner or messenger on the business of revenue.



First, Officers to settle and collect the revenues.

Secondly, Officers to keep and arrange the accounts.

These officers go by different names, though their duties are alike, in different parts of India. In Bengal, where the Mussulman system of revenue and finance had its fullest effect, they are described under the following denominations; and as being commonly employed in each district or collectorship.

#### FIRST.

\* *Aumilguzzar*—*Aumildar* — or *Aumil*, Principal Collector.

<i>Tehsildar</i>	Subordinate Collector, or Collector of a Sub- division.	} These officers were numerous in proportion to the subdivisions of each principal collectorship.
<i>Zemindar</i>	Landholder or keeper.	
<i>Talookdar</i>	Petty Landholder.	
<i>Crorie</i>	Collector of a district of 1 Crore of Dams.	
<i>Chowdrie</i>	Subordinate Collector.	
<i>Mocuddim</i>	Head Ryot of a village.	
<i>Ameen</i>	Supervisor.	

with their numerous subordinate establishments of *Mohurrers*, *Pykes*, *Peons*, &c.

---

\* *Aumilguzzar* — Collector of the revenue. The *Aumil* had the general superintendence of a district or division

## SECOND.

Tepuckchy . Head Accountant.

Serishtadar Accountant.

Canongoe . Register.

Putwary . Village Accountant.

of country, and sometimes united military with his civil and financial powers.

*Tehsildar* — Collector of a subdivision.

*Zemindar* — “ Land holder—land keeper—an officer who, “ under the Mahomedan government, was charged with “ the superintendence of the land of a district financially “ considered, the protection of the cultivators, and the “ realization of the government’s share of its produce “ either in money or kind; out of which he was allowed “ a commission amounting to about 10 per cent. ; and oc- “ casionally a special grant of the government’s share of “ the produce of the land of a certain number of villages “ for his subsistence, called Nauncar. The appointment “ was occasionally renewed ; and as it was generally con- “ tinued in the same person, so long as he conducted “ himself to the satisfaction of the ruling power, and even “ continued to his heirs ; so in process of time, and “ through the decay of that power, and the confusion “ which ensued, hereditary right (at best prescriptive) “ was claimed and tacitly acknowledged ; till at length “ the Zemindars of Bengal in particular, from being the “ mere superintendants of the land, have been declared the “ hereditary proprietors of the soil, and the before fluctuat- “ ing dues of government have, under a permanent settle- “ ment, been unalterably fixed in perpetuity.” Gloss. 5th Rep.--They are also called Estimaandar, and correspond with

to whom are also attached subordinate establishments. In every principal collector-

---

the persons named Desmook, Polygar, and Mootadar, in the peninsula.

*Talookdar* — Talookdars are petty Zemindars, some of whom pay their rent, or account for the collections they make from the Ryots, through a superior Zemindar, and others direct to government. Those denominated Muscoory are of the former description, and the latter are called independent Talookdars.

*Crorie* — A collector of one crore or, ten millions, of Dams = 250,000 Rs. A permanent revenue collector of a portion of country under the older Mahommedan government. He, sometimes for a trifling commission, made himself answerable for that amount. This officer appears to have been first appointed by Akbar, A. D. 1574. Gloss. 5. Rep.

*Chowdry* — An officer under the ancient Hindu system analogous to that of Zemindars under the Mahommedans. But, after the appointment or creation of Zemindars, the subordinate collectors under them were denominated Chowdries.

*Mocuddim* — Head Ryot or principal man in each village, who superintends the affairs of it, and, among other duties, collects the rents of government within his jurisdiction. The same officer is in Bengal called also Mundil, and in the peninsula Goad, and Potal.

*Aumeen* — A temporary collector or supervisor appointed to the charge of a country on particular occasions, or for some particular purpose of local investigation or arrangement.

*Mohurrer* — A writer or clerk in an office. *Mutseddies*,

ship, there was a Cutchery, or public office, for the despatch of revenue business ; and in the

---

*Gomastahs*, and *Conicoplas*, may also be classed under the same head.

*Peon* — Footman ; foot soldier ; messenger ; an inferior officer, or servant employed in revenue, police, or judicial duties. Both Pykes and Peons are generally armed with swords.

*Tepuckchy* — An officer under the Mahommedan government, who was appointed to receive from the Canongoes, Putwaries, and Mocuddims, their accounts—to arrange and superintend the same—and to forward statements of every thing connected with the revenues to the Presence. The Aumil also depended on the Tepuckchy for just information.

*Serishtadar* — Keeper of the records ; or one who keeps a record of accounts on particular transactions—a revenue accountant of a district who checks the accounts of the village accountants. Sometimes the head native servant in a collector's cutchery.

*Canongoe* — An officer of the government whose duty was to keep a register of all circumstances relating to the land revenue, and, when called upon, to declare the customs of each district, the nature of the tenures, the quantity of land in cultivation, the nature of the produce, the amount of rent paid, &c. In the peninsula this officer is called Despondeah.

*Putwary* — Village accountant, who registers every thing connected with its cultivation and produce, the shares or rents of the Ryots, with the dues and rights of government in the soil ; the same as Curnum and Shambogue in the peninsula. In the Ayee Akbery the Putwary and Canongoe are thus described. “ The Putwary is employed



subdivisions, every Tehsildar, Zemindar, Talookdar, Crorie, and Mocuddim, had each their separate Cutcheries, with a requisite number of subordinate servants; in other words, a full complement of public extortioners. The subordination and dependance of the inferiors warranted their co-operation, when necessary, in all the views of the superior officers of the province. From the state of agents in peculation to that of principals on their own account, the transition was but a step. The system, therefore, gave to all these parties an interest in conniving at each other's corruptions; whilst the Ryots, and real landed proprietors, were its helpless victims.

It would be tedious, if not superfluous, to enumerate all the subordinate officers attached to the Revenue Department; some to make, and some to controul, the receipts and disbursements; some to frame, with others to controul and audit accounts; besides others occasionally employed for measuring and assessing lands; weighing and watching crops,

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“ on the part of the husbandman to keep an account of  
 “ his receipts and disbursements; and no village is with-  
 “ out one of these. The Canongoe is the protector of  
 “ the husbandman, and there is one in every pergunnah.”  
 vol. i. p. 358.

&c. Those above-mentioned were the principal heads of departments, who, with their numerous respective establishments, came into regular daily contact with the great mass of the people; and, together with the police officers, occupied every town and village throughout the country.

But besides the officers, or public collectors above named, with their respective establishments, the country was, as we have before seen, very generally let to farmers of the public revenue, who sub-let, again, the larger Zemindaries and Talooks, in smaller divisions, to under-farmers. The Ryots had thus another set of harpies to satiate. Money, in fact, was the universal want; and, as every public functionary in the province had an obvious inducement to disregard the means of its acquirement, where was a Ryot to seek redress against oppressive exaction, or what course could he safely pursue, but that of tame submission to the severity of his fate? Those who are familiar with the authentic accounts given by Volney, Thornton, and others, of the provinces of Turkey may best conceive the lawless state of a former Soubah of Hindostan, and the forlorn condition of its unprotected inhabitants.\*

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\* Volney's account of a Turkish pachalic is so exact a counterpart of a soubah, or vice-royalty, of Hindostan, that I here

It has been already stated how these officers were provided for by assignments of land, or

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subjoin it, with some prefatory remarks on the principles and spirit of Turkish government. It may be useful, as well as interesting, thus to mark the striking similitude of some of the most important of human institutions, — consequently of character, — among nations in different parts of the world, when the circumstances of the people are nearly, or precisely, the same.

“ Lorsque les Ottomans sous la conduite du Sultan Selim  
 “ enlevèrent la Syrie aux Mamloukes, ils ne la regardèrent que  
 “ comme la dépouille d’un ennemi vaincu, comme un bien  
 “ acquis par le droit des armes et de la guerre. Or, dans ce  
 “ droit chez les peuples barbares, le vaincu est entièrement à  
 “ la discrétion du vainqueur ; il devient son esclave ; sa vie,  
 “ ses biens lui appartiennent ; le vainqueur est un maître qui  
 “ peut disposer de tout, qui ne doit rien, et qui fait grâce de  
 “ tout ce qu’il laisse. — C’est sur ces principes que fut formé  
 “ même le premier état social.” This is precisely the mussul-  
 man doctrine of rights in Hindostan.

“ Du faite de tant de grandeurs, quel regard un sultan  
 “ abaissera-t-il vers le reste des humaines ? Que lui paraîtra  
 “ cette terre qu’il possède, qu’il distribue, sinon une domaine  
 “ dont il est l’absolu maître ? Que lui paraîtront ces peuples  
 “ qu’il a conquis, sinon des esclaves dévoués à le servir ? Que  
 “ lui paroîtront ces soldats qu’il commande, sinon des valets avec  
 “ lesquels il maintient ces esclaves dans l’obéissance ? Telle est  
 “ réellement la définition du gouvernement Turk. L’on peut  
 “ comparer l’empire à une habitation de nos îles à sucre,  
 “ où une foule d’esclaves travaillent pour le luxe d’un seul  
 “ grand propriétaire sous l’inspection de quelques serviteurs  
 “ qui en profitent.” (Some examples will probably occur  
 “ to the reader in the preceding and following pages.)  
 “ Telles sont les provinces sous le gouvernement des pachas.

by means of viceregal imposts laid on the Ryots, in addition to the "Tumar Jumma," or

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" Ces provinces se trouvant encore trop vastes, les pachas  
 " y ont pratiqué d'autres divisions ; et de-là cette hierar-  
 " chie de préposés qui, de grade en grade, atteignent aux  
 " derniers details. Dans cette série d'emplois, l'objet de la  
 " commission étant toujours le même, les moyens d'execu-  
 " tion ne changent pas de nature. Ainsi le pouvoir étant,  
 " dans le premier moteur, absolu et arbitraire, il se transmet  
 " absolu et arbitraire à tous ses agens. Chacun d'eux est  
 " l'image de son commettant." *Vide Vol. I. p. 254. 342. et*  
 " *supra, p. 16.* Que l'on juge des effets d'un tel regime,  
 " quand l'expérience de tous les temps a prouvé que la modéra-  
 " tion est la plus difficile des vertus ; quand dans les hommes  
 " même qui en sont les apôtres, elle n'est souvent qu'en théorie ;  
 " que l'on juge des abus d'un pouvoir illimité dans des grands,  
 " qui ne connoissent ni la souffrance, ni la pitié ; dans des par-  
 " venues avides de jouir, fiers de commander, et dans les sub-  
 " alternes avides de parvenir.—— C'est donc dans les pro-  
 " vinces qu'il faut etudier l'action du despotisme ; et en Turquie  
 " comme partout ailleurs, cette étude convainc que le pou-  
 " voir arbitraire dans le souverain est funeste à l'état, parceque  
 " du souverain il se transmet nécessairement à ses préposés,  
 " et que dans cette transmission il devient d'autant plus abusif,  
 " qu'il descend davantage, puisqu'il est vrai que le plus dur des  
 " tyrans est l'esclave qui devient maitre.

" En chaque gouvernement, le pacha étant l'image du sul-  
 " tan, il est, comme lui, despote absolu, il réunit tous les pou-  
 " voirs en sa personne ; il est chef, et du militaire, et des  
 " finances, et de la police, et de la justice criminelle. Il a  
 " droit de vie et de mort, il peut faire à son gré la paix et la  
 " guerre ; en un mot, il peut tout. Le but principal de tant  
 " d'autorité, est de percevoir le *tribut*, c'est à dire, de faire



standard assessment. These additional imposts served, therefore, as a sanction to the

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“ passer le revenu au grand propriétaire, à ce maître qui a  
 “ conquis et qui possède la terre par le droit de son *épouvant-*  
 “ *able* lance. Ce devoir rempli, l’on n’en exige pas d’autres ;  
 “ l’on ne s’inquiète pas même de quelle manière l’agent pour-  
 “ voit à le remplir ; les moyens sont à sa discrétion ; et telle  
 “ est la nature des choses qu’il ne peut être délicat sur le  
 “ choix, car premièrement il ne peut s’avancer ni même se  
 “ maintenir qu’autant qu’il fournit des fonds ; en second lieu  
 “ il ne doit sa place qu’à la faveur du vizier, ou de telle autre  
 “ personne en crédit ; et cette faveur ne s’obtient et ne s’entre-  
 “ tient que par une enchère sur d’autre concurrens. Il faut  
 “ donc retirer de l’argent, et pour acquitter le tribut et remplir  
 “ les avances, et pour soutenir sa dignité, et pour s’assurer des  
 “ ressources. Aussi le premier soin d’un pacha qui arrive à  
 “ son poste est il d’aviser aux moyens d’avoir de l’argent, et  
 “ les plus prompts sont toujours les meilleurs. Celui qui établit  
 “ l’usage pour la perception du Miri, et des douanes, est de  
 “ constituer pour l’année courante un, ou plusieurs fermiers  
 “ principaux, lesquels, afin de faciliter leur régie, la subdivi-  
 “ sent en sous-fermes qui de grade en grade descendent  
 “ jusqu’aux plus petits villages.” (Farming system of India !  
*Vide Vol. I. p. 338—342. 353. 407. et supra, p. 17 & 35.*)  
 “ Le pacha donne ces emplois par enchère, parcequ’il veut en  
 “ retirer le plus d’argent qu’il est possible ; de leur côté, les  
 “ fermiers qui ne les prennent que pour gagner, mettent tout  
 “ en œuvre pour augmenter leur recette. De-là, dans ses  
 “ agens une avidité toujours voisine de la mauvaise foi ; de-là,  
 “ des vexations où ils se portent d’autant plus aisément qu’elles  
 “ sont toujours soutenus par l’autorité ; de-là, au sein du  
 “ peuple, une faction d’hommes intéressés à multiplier ses  
 “ charges. Le pacha peut s’applaudir de pénétrer aux

exactions of all who were classed on the side of power ; for it would be contrary to the

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“ sources les plus profondes de l’aisance par la rapacité claire-  
 “ voyante des subalternes. Mais qu’en arrive-t-il ? Le peu-  
 “ ple, gêné dans la jouissance des fruits de son travail, re-  
 “ streint son activité dans les bornes des premiers besoins ;  
 “ le laboureur ne sème que pour vivre ; l’artisan ne travaille  
 “ que pour nourrir sa famille ; s’il a quelque superflu, il le  
 “ cache soigneusement ; ainsi le pouvoir arbitraire du sultan  
 “ transmis au pacha et à tous ses subdélégués en donnant  
 “ un libre essai à leurs passions, est devenu le mobile d’une  
 “ tyrannie répandue dans toutes les classes ; et les effets en  
 “ ont été de diminuer par une action réciproque l’agriculture,  
 “ les arts, le commerce, la population, en un mot, tout ce qui  
 “ constitue la puissance de l’état.

“ Il arrive quelquefois que les pachas, sultans dans leur  
 “ province, ont entre eux des haines personnelles ; pour les  
 “ satisfaire, ils se prévalent de leur pouvoir, et ils se font mu-  
 “ tuellement des guerres sourdes ou déclarées, dont les effets  
 “ ruineux tombent toujours sur les sujets du sultan.

“ Enfin il arrive encore que ces pachas sont tentés de s’ap-  
 “ propriier ce pouvoir dont ils sont dépositaires. La porte  
 “ qui a prévu ce cas, tâche d’y obvier par plusieurs moyens ;  
 “ elle partage les commandemens, et tient des officiers parti-  
 “ culiers dans les châteaux des capitales. — Elle envoie  
 “ tous les trois mois des capidjis qui tiennent les pachas en  
 “ alarmes par les ordres secrets dont ils sont porteurs ; mais  
 “ souvent les pachas aussi rusés se débarrassent de ses sur-  
 “ veillans incommodes : enfin elle change fréquemment les  
 “ pachas de résidence, afin qu’ils n’aient pas le temps de  
 “ s’affectionner un pays ; mais comme toutes les conséquences  
 “ d’un ordre vicieux sont abusives, il est arrivé que les pachas,

settled principles of human nature to suppose that extortion was not carried to the ut-

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“ incertain de lendemain, traitent leur province comme un  
 “ lieu de passage, et n’y font aucune amélioration dont leur  
 “ successeur puisse profiter ; au contraire ils se hâtent d’en  
 “ épuiser les produits, et de recueillir en un jour, s’il est pos-  
 “ sible, les fruits de plusieurs années. Il est vrai que de  
 “ temps en temps ces concussions sont punis par le cordon.  
 “ A l’un des termes de l’année une *capidji* arrive, montrant le  
 “ *firmân* de prorogation ; quelquefois même apportant une  
 “ seconde, une troisième *queue*, ou telle autre faveur nouvelle ;  
 “ mais pendant que le pacha fait célébrer la fête, il paroît un  
 “ ordre pour sa déposition, puis un autre pour son exil, et  
 “ souvent un *kat-cherif* pour sa tête. Le motif en est tou-  
 “ jours d’avoir vexé les sujets du sultan ; mais la porte en  
 “ s’emparant du trésor du concussionnaire, et n’en rendant ja-  
 “ mais rien au peuple qu’il a pillé, donne à penser qu’elle  
 “ n’improove pas un pillage dont elle profite.—Les pachas ne  
 “ connoissent que l’argent ; une expérience répétée n’a pu  
 “ leur faire sentir que ce moyen, loin d’être le gage de leur  
 “ sureté, devenoit le motif de leur perte ; ils ont la manie  
 “ d’amasser des trésors, comme si l’on achetait des amis.  
 “ — Emirs et pachas tous imitent le sultan : tous regardent  
 “ leur pays comme une domaine, et leurs sujets comme des  
 “ domestiques. Leurs sujets, à leurs tours, ne voyent en eux  
 “ que des maîtres, et puisque tous se ressemblent, peu importe  
 “ lequel servir. De-là, dans ces états, l’usage des troupes  
 “ étrangères de préférence aux troupes nationales. Les  
 “ commandans se défient de leur peuple, parcequ’ils sentent  
 “ ne pas meriter son attachement ; leur but n’est de gouverner  
 “ leur pays, mais de le maîtriser ; par un juste retour, leur pays  
 “ s’embarrasse peu qu’on les attaque ; et les mercenaires qu’ils

most limits of discretion under governments, like the monarchies of Asia, where immode-

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“ soudoyent, fidèles à leur esprit, les vendent à l’ennemi pour  
 “ profiter de leur dépouille. Dâher avait nourri dix ans le  
 “ barbaresque qui le tua. C’est un fait digne de remarque,  
 “ que la plupart des états de l’Asie, et de l’Afrique, sur-tout  
 “ depuis Mahomet, ont été gouvernés par ces principes, et  
 “ qu’il n’y a pas eu de pays où l’on ait vu tant de troubles  
 “ dans les états, tant de revolutions dans les empires.

“ Les sultans s’étant arrogés à titre de conquête le propriété  
 “ de toutes les terres, il n’existe pour les habitans aucun droit  
 “ de propriété foncière, ni même mobilière, ils ne possèdent  
 “ qu’en usufruit. Si un père meurt, sa succession appartient  
 “ au sultan, ou à son fermier, et les enfans ne recueillent l’hé-  
 “ ritage qu’en payant un rachat toujours considerable. De-la  
 “ pour la possession, en fonds de terre une insouciance funeste  
 “ à l’agriculture. —

“ Lorsque le sultan Sélim eut conquis la Syrie, pour rendre  
 “ plus aisée la perception du revenu, il établit un seul impôt  
 “ territorial, qui est celui que l’on appelle *miri*. Il parait,  
 “ malgré son caractère farouche, que ce sultan sentit l’import-  
 “ ance de ménager le cultivateur ; car le *miri*, comparé à  
 “ l’étendue des terrains, se trouve dans une proportion infini-  
 “ ment modérée. Pour maintenir l’ordre dans la perception,  
 “ Sélim fit dresser un *defdar* ou *registre*” (Tumar Jumma !)   
 “ dans lequel le contingent de chaque village fut exprimé.  
 “ Enfin il donna au *miri* un état invariable, et tel que l’on ne  
 “ peut l’augmenter ni le diminuer. Modéré comme il était,  
 “ il ne devait jamais obérer le peuple ; mais par les abus in-  
 “ hérrens à la constitution, les pachas et leurs agens ont  
 “ trouvé le secret de le rendre ruineux. N’osant violer la loi  
 “ établie par le sultans sur l’invariabilité de l’impôt, ils ont



rate appetites are bound by no legal restraints,

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“ introduit une foule des charges qui, sans en avoir le nom,  
 “ en ont tous les effets. Ainsi étant les maîtres de la ma-  
 “ jeure partie des terres, ils ne les concèdent qu’à des condi-  
 “ tions onéreuses ; ils exigent la moitié et les deux tiers de la  
 “ recolte ;” (Aumane system of India ! *Vide Vol. I. p. 409,*  
 &c.) “ ils accaparent les semences et les béstiaux, en sorte que  
 “ les cultivateurs sont forcés de les acheter au dessus de leur  
 “ valeur. La recolte faite, ils chicanent sur les pertes, sur  
 “ les pretendus vols ; et comme ils ont la force en main, ils  
 “ enlèvent ce qu’ils veulent. Si l’année manque, ils n’en  
 “ exigent pas moins leurs avances, et ils font vendre pour se  
 “ rembourser tout ce qui possède le paysan. A ces vexations  
 “ habituelles se joignent mille avanies accidentelles, tantôt  
 “ l’on rançonne le village entier pour un delit vrai ou ima-  
 “ ginaire ; tantôt on introduit une corvée d’un genre nouveau.  
 “ L’on exige un present à l’avènement de chaque gouverneur ;  
 “ l’on établit une contribution d’herbe pour ses chevaux,  
 “ d’orge et de paille pour ses cavaliers ; il faut en outre donner  
 “ l’étape à tous les gens de guerre qui passent ou qui ap-  
 “ porte des ordres. Les villages tremblent à chaque *laouend*  
 “ qui parait ; c’est un vrai brigand sous le nom de soldat ; il  
 “ arrive en conquérant en maître : *chiens, canaille, du pain,*  
 “ *du café, du tabac ; je veux de l’orge, je veux de la viande.*  
 “ S’il voit de la volaille, il la tue ; et lorsque il part, joignant  
 “ l’insulte à la tyrannie, il demande ce que l’on appelle *keré-*  
 “ *el-dars*, c’est à dire le *louage de sa dent molaire*. En vain  
 “ les paysans crient à l’injustice : le sabre impose silence. La  
 “ réclamation est lointain et difficile ; elle pourrait devenir  
 “ dangereuse. Qu’arrive-t-il de toutes ses déprédations ? Les  
 “ moins aisés du village se ruinent, ne peuvent plus payer le  
 “ *miri*, deviennent à charge aux autres, ou fuient dans les

and where a common motive incites each in-

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“ villes ; comme le miri est inaltérable, et doit toujours s’acquitter en entier, leur portion se reverse sur le reste des habitants. S’il arrive deux années de disette ou de secheresse, le village entier est ruiné et se déserte ; mais sa quotité se reporte sur les voisins.” (Ryotwary system. *Vide Vol. I. p. 482 to 486.*) “ Le même marche a lieu pour le *karadj* des Chrétiens : la somme en ayant été fixée d’après un premier denombrement, il faut toujours qu’elle se retrouve la même, quoique le nombre des têtes soit diminué. De-là il est arrivé que cette capitation a été portée de trois, de cinque, et de onze piastres où elle était d’abord, à trente-cinq et quarante ; ce qui obère absolument les contribuables, et les force de s’expatrier. C’est sur-tout dans les pays d’apanage (*Jaghire*), et dans ceux qui sont ouverts aux Arabes, que ces fardeaux sont écrasans. Dans les premiers, le titulaire (*Jaghiredar* or *Zemindar*) avide d’augmenter son revenu, donne toute liberté à son fermier d’augmenter les charges, et l’avidité de ces subalternes ne demeure pas en arrière : ce sont eux qui raffinant sur les moyens de pressurer, ont imaginé d’établir des droits sur les denrées du marché, sur les entrées, sur les transports, et de taxer jusqu’à la charge d’une âne.” (*Seyer duties ! seyerjehat. Vide Vol. I. p. 314.*) “ Entre autres abus il en est un que l’on doit regarder comme le plus grand fléau des campagnes : c’est l’usure portée à l’excès le plus criant. Quand les paysans ont besoin d’avances pour acheter des semences, des bestiaux, &c. ils ne trouvent d’argent qu’en vendant en tout ou en partie leur recolte future au prix le plus vil.” (*Another common Indian custom !*) “ L’intérêt le plus modique est de douze pour cent, le plus ordinaire est de vingt, et souvent il monte à trente.

“ Par toutes ces causes l’on conçoit combien la condition

dividually to countenance, or connive at, the

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“ des paysans doit être misérable. Par-tout ils sont réduits au  
 “ petit pain plat d’orge ou de doura, aux oignons, aux lentilles  
 “ et à l’eau. Leurs organes se connoissent si peu en mets,  
 “ qu’ils regardent de l’huile forte et de la graisse rance  
 “ comme un manger délicieux. Dans les montagne, du Liban  
 “ et de Nâblous, lorsqu’il a disette, ils recueillent les glands  
 “ du chêne, et après les avoir fait bouillir ou cuir sous la  
 “ cendre, ils les mangent.

“ Par une consequence naturelle de cette misère, l’art de  
 “ la culture est dans un état déplorable ; faute d’aisance, le  
 “ laboureur manque d’instrumens, ou n’en a que de mauvais ;  
 “ la charrue n’est souvent qu’une branche d’une arbre coupée  
 “ sous une bifurcation, et conduite sans roues. On laboure  
 “ avec des ânes, des vaches, et rarement avec des bœufs.  
 “ Dans les cantons ouvertes aux Arabes il faut semer, le fusil  
 “ à la main ;” (formerly a very common practice, and still  
 practised in some parts of India.) “ A peine le blé jaunit-il  
 “ qu’on le coupe pour le cacher dans les *matmoures* ou ca-  
 “ veaux souterrains. On en retire le moins qui l’on peut  
 “ pour les semences, parceque l’on ne sème qu’autant qu’il  
 “ faut pour vivre ; en un mot, l’on borne toute l’industrie à  
 “ satisfaire les premiers besoins.”

The description given by Volney, of the courts of justice established in the Turkish provinces, corresponds exactly with that (*vide Vol. I. p. 247, 345, et supra, p. 8.*) of the Mogul courts in Hindostan ; where justice, or rather judicial decisions, were openly sold to the highest bidder. Where the judge had to pay for, or to purchase, his seat in the first instance, it was but a natural consequence that he should reimburse himself, by extortion from those on whom he, in his turn, had the power to prey. In each Pachalic there was also a

embezzlements of all \* There are, however,

police establishment, at the head of which, but under the immediate orders of the Pacha, was an officer called by Volney *Ouali* (Wali), whose office and duties were, in like manner, precisely those of the Cutwal of Hindostan (*Vid. supra, p. 9.*) Of the *Ouali* Volney adds, as well to prove the nature and power of the *Ouali* (Cutwal) as the *modus operandi*, “ Comme  
“ le pacha, il juge et condamne sans appel ; le coupable baisse  
“ le cou ; le bourreau frappe ; la tête tombe, et l’on emporte  
“ le corps dans un sac de cuir.”

The length of this note needs some apology. It is given in the hope that it may interest those who are desirous of minute information regarding the principles of Mussulman regime, whence our own financial systems in India are derived, and of observing the effects which such a system is calculated to produce on the condition, the habits, and the character of whatsoever people are doomed to endure it.

Our own police establishments are formed after the Mussulman model, we have Daroghas, Cutwals, Pykes, Peons, Fouj Sibbendy, village watchmen, &c., in all parts. These, however, being under the immediate orders and controul, as far as it can be exercised, of the European magistrate, we are not disgusted now-a-days with the horrors of “ bourreaux” and “ sacs de cuir,” but it will be seen presently, that oppressions and exactions are commonly practised by these officers, which it is impossible for an European collector or magistrate effectually to restrain.

\* Besides the Abwabs mentioned in *Vol. I. p. 296.* there were other collections and appropriations made for the benefit of revenue servants under the denominations of Muscoorat, Neakdary, Russoom, Saderward, Nancar, &c. According to the 5th Report the



natural, though no legal bounds to the rapacity of despots ; some prudence coupled with

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*Muscoorat* — were customary allowances made to Zemindars from their collections at the close of their settlements, applied to a variety of petty disbursements, of which the Russoom, Zemindary, and Nancar lands are a part ; and including charitable donations originally unprovided for an item or head of revenue account of comparatively modern institution.

*Neakdary* — Perquisites or fees collected from the Ryots ; being shares of the produce of their lands appropriated to particular public officers in the village, or other persons.

*Russoom* — Customs, customary commissions, gratuities, fees, or perquisites. Shares of the crops, and ready money payments, received by public officers as perquisites attached to their situations ; called also Marah in the northern circars.

*Saderward* — Ready money collections made in each village from the Ryots for supplying the Cutchery, or office of public business, with lamps, oil, and stationery.

*Nancar* — Allowance or assignment for bread or subsistence. An assignment of land, or the government dues from a particular portion of land, calculated to yield 5 per cent. on the net receipts into the treasury, held by a Zemindar. The term is also applied to the official lands of the Canonngoes and other revenue servants.

*Neem Tucky* — A perquisite of half a rupee in the hundred on the Assul Jumma, an additional allowance to the Canonngoes ; being an item of the Muscoorat.

*Mujerai* — Acknowledgments made to the Zemindars in the vicinity of the hill people of Rajemahl to prevent robberies ; being an item of the Muscoorat.

inordinate desire; and self-interest supplies a motive, which humanity would disregard,

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*Muddud Mash*—Aid for subsistence; an article in the rent roll called Tumar Jumma, consisting of allotments of lands as a subsistence to religious and learned men; an item of the Muscoorat, and a branch of Ayma grants.

*Ayma*—Learned or religious men. A general designation of allowances to religious and other persons of the Mahomedan persuasion. An item in the Muscoorat.

*Althamga*—A royal grant of land in perpetuity, conferred on favoured individuals, exempting them from every kind of public incumbrance; an heritable Jaghire in perpetuity.

*Jaghire*, or *Jagheer*—Literally, the place of taking; an assignment of the government share of the produce of a portion of land to an individual. There were two kinds of Jaghires; one called Jaghire-i-tan, bodily or personal Jaghire, being for the support of the person of the grantee, and Jaghire-i-sur, or Jaghire of the head,—an assignment for the support of any public establishment, particularly of a military nature. The military Jaghires, or assignments of lands for defraying military expences, were also called Asham Sepaye and Bukhsian Azam. Jaghires, being grants, or assumptions of land for particular purposes, were also variously denominated, such as Jaghire-Nowarah, a jaghire for the support of boats; Jaghire-Tanekaut, jaghire for the support of tanahs (small garrisons), of Sibbendy, (irregular) troops employed for revenue and police purposes.

*Deh Khurcha*—Village expence; contributions for defraying certain expences incurred in the villages for public purposes, a branch of the Neakdary.

*Wazeat*—Abatement—deductions which were allowed in the

to stop short of absolute destruction. In the case before us a surplus requiring to be an-

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accounts of the Zemindary, &c. from the collections under the general heads of Mokharige and Muscoorat.

*Bekee* — Taxes professed to be levied for charitable purposes.

*Bhery Bundy* — Charges for repairing causeways and embankments, unprovided for otherwise ; an item of the Muscoorat.

*Bundeh Wallah Bargah* — An article of appropriations in the Tumar Jumma for personal and official charges to the Dewanny delegate.

*Cawel Tallum* — Village watching fees ; and *Cawel Desha* — district watching fees, or perquisites collected by Polygars on the plea of protecting the inhabitants and travellers, and making good property stolen.

*Chakeran Lands* — Lands allotted for the maintenance of public servants of all denominations, from the Zemindar down to those of the village establishment.

*Cheraghy* — Allowances for oil for the lamps burnt in the tombs of reputed saints ; an item under the Muscoorat.

*Chowkedary* — A tax for defraying the expence of watchmen ; much the same as the Cawel fees above mentioned.

*Dehdary* — Share of produce appropriated as perquisite to a Dehdar, *q. v. p. 11*. formerly an article of the Neakdary ; afterwards rendered an item of the Abwab.

*Deo Khurch* — Disbursements for religious purposes ; a Zemindary charge. Deawutter, Dewastaun and Devadayem are also grants of land for religious purposes.

*Dufter Bund* — Allowance to the office keepers of the Cutcheries ; an item of the Muscoorat.

*Durbar Khurch* — Court charges.

*Dussera Khurch* — Charges on account of the festival called Dussera.

nually reproduced, it became necessary that the powers of reproduction should not be al-

*Dustoor* — Customary fee or commission; an item of the Muscoorat.

*Grama Khurch* — Village charges or expenditure. Contributions levied in the villages of the Peninsula, professedly to defray the expences incurred by the Potails, or their servants, or by others, in travelling to the Cutchery of the district on the public affairs of the villages.

*Haldaree* — Tax on marriages; also a tax on ploughs.

*Husbul Wosoolee Marocha* — Estimated receipts on marriages, being a head of revenue introduced in Dinagepore in 1762.

*Kehdah Afeel* — Appropriations to defray the expence of catching elephants.

*Khareje Jumma* — Rents from Ryots enjoyed by particular individuals, under assignments or grants from government.

*Khairaut* — Allowances for occasional charity to the poor; an item of the Muscoorat.

*Kuddum Russool* — The footstep of the prophet; an allowance for preserving the impression of the foot of Mahommed, or the place of worship where it is preserved; an item of the Muscoorat.

*Kussoor* — An item of the Abwab, formerly levied as part of the village charges, to make up for the deficiency in the Rupees collected on account of revenue, which under the Mogul government were required to be paid into the treasury at an equal standard. Levies for this purpose were also known under the names of Kumi Sagon, Serf, and Batta.

*Malikana* — What relates or belongs to a person as master or head man. The Malikana of a Mocuddim, or head Ryot, is a share of each Ryot's produce received by him as a customary due, forming an article of the Neakdary, *q. v.*



together exhausted. To this extent the subordinate servants of the government had an

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The term is also applicable to the Nancar, or allowance to village collectors, or Mocuddims of such villages as pay rents immediately to the Khalsa (exchequer), being an item of the Muscoorat.

*Mangun*—A tax or imposition formerly levied by officers stationed at Chokies, and Ghauts, (stations for guards, watchmen, and receivers of tolls or customs).

*Maunium*—A grant of land, or assignment of the government share of the produce therefrom, to the revenue officers, and the public servants in the villages in the northern circars; called also in other parts Enaum.

*Mehmany*—Allowance for entertaining pilgrims, travellers, and strangers in general; an item of the Muscoorat.

*Melwassyy*—Extra produce partly appropriated to the use of temples and other religious purposes.

*Mohterfa*—Taxes personal and professional on artificers, merchants, and others, also on houses, implements of agriculture, looms, &c.; a branch of the Seyer, *q. v.*

*Mokharije*—Expences, deductions, exclusions; territory dismembered and lost to the revenue, forming a head of deductions from the collections of the Zemindars in their accounts under the general term Wazeat, *q. v. supra.*

*Mushroot Tanajaut*—Conditional appropriations of land in Jaghire for garrisons, and pensions.

*Muzoonat*—Allowed deductions applied to a variety of disbursements, such as the Nancar, or allowance to Zemindars.

*Pabaky*—Jaghire appropriations for sundry purposes.

*Paikan*—Allowance for encreased establishment of village guards, being an item of the Muscoorat.

interest in protecting the Ryots, who were the only producers ; and though the most

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*Pandary* — Tax on shops of Mohammedan workmen, and retail merchants of that religion ; and on temporary stalls in fairs, held at places of Mussulman pilgrimage, or Hindoo worship ; a branch of the Sayer.

*Parbunny* — A tax levied by Zemindars and farmers on Ryots, at the festivals of new and full moon.

*Patna Chitty and Bogamy* — Tax on the heads or chiefs of the right and left hand casts, who each collected from their casts certain impositions.

*Peerootter* — Allowances to Mussulman sages. A particular description of lands held rent free, or assignment of the government dues from particular lands enjoyed by such persons.

*Rahberah* — Road conductors or way guides. Allowance for an encreased number of guides for the convenience and protection of merchants and travellers ; an item of the Muscoorat.

*Rahdary* — Keeping the roads. The term applied to duties means those collected at different stations in the interior of the country from passengers, and on account of grain and other necessities of life by the Zemindars and other officers of government ; a branch of the Sayer.

*Russoom Zemindarry* — Customary perquisites attached to the office of a Zemindar ; perquisites or shares of the Sayer duties allowed to the Zemindars, and deductions from the collections equal to about 5 per cent. on the net receipts enjoyed by the Zemindars, in addition to their Nancar or Saverum lands ; vide *Russoom*.

*Saverum* — An allotment of land, or of the government revenue thereof, held by Zemindars and other principal

atrocious and inconsiderate excesses were often committed by rulers and their armies,

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revenue officers, rent free, as part of the emoluments of their offices; a term used in the Peninsula answering to *Nancar* in the Bengal provinces.

*Sayer* — Variable imposts distinct from land rent, or revenue, consisting of customs, tolls, licences, duties on merchandize, and other articles of personal moveable property, as well as mixed duties, and taxes on houses, shops, bazars, &c.

*Shamul* — Assessments added to the *shist* or standard rent in the Peninsula.

*Tehsil Serinjammy* — Contingent expences; being in the nature of *Abwab*, or cesses, or lands appropriated as a compensation for all charges of management, and included under the head of *Serinjammy*.

*Yaft Kedmut* — Attainment of office or employment; fees on the grant of a *Zemindarry*, or other office.

*Bazee Zameen* — Sundry or miscellaneous lands. The term is particularly applied to such lands as are exempt from payment of public revenue, or very lightly rated; not only such as are held by Brahmins, or appropriated to the support of places of worship, &c., but also to the lands held by the officers of government, such as *Zemindars*, *Canongoes*, *Putwaries*, &c.; vide also *Chakeran*.

*Bedrh Cundy* — A *Pergunnah* charge in *Sylhet* for providing mats, embalming silk, and packing treasure sent to *Dehly*.

*Salianeh Rosinah* — Collections for annual and daily charities.

*Cum multis aliis, quæ nunc, &c.*

In giving this list of imposts and appropriations (which is

yet these extravagant acts of devastation were of partial operation ; settled usage going

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but a partial one, being capable of great enlargement), it is merely intended to shew how they naturally arise out of such a financial system, and state of society, as we found established in India. Land being the only source of taxation, was also the only fund out of which public officers could be remunerated for their services. The circumstance of each impost, and each appropriation, having a distinct name, commonly used in the public records, is of itself a proof of the specific existence of each, and of its being sanctioned, or at least, tolerated, by authority. Under so complete a tyranny as that of the Mussulmans in India, where discretion was ever the measure of exaction, and where the subordinate officers were allowed without let or hindrance, to plunder the Ryots, that the higher officers might again plunder them in turn, we may be sure that pleas were never wanting to enforce imposts held to be perquisites of office, and to collect more even than the just amount ; whilst in respect to authorized appropriations for public services, repairs, religious and charitable purposes, &c. the official records apprise us that the most iniquitous practices prevailed, both in the receipt and application of the monies, and in the fraudulent alienations of land, &c. Many of these practices, and some of the identical imposts, and appropriations, being continued to the present day, examples of them, and their effects, will be found in the following pages ; and if to these be added all that has been already said respecting Abwabs, Sayer collections, Mohterfa, &c., the utility of these lists, imperfect as they are, will then be found to consist in exhibiting the true features and characteristics of an Indian financial system, than which the most fertile invention could scarcely devise any thing better calculated to harass, to impoverish, and to demoralize the human race.



no further than to a division of the produce of the soil; in which no other rule prevailed than to leave to the Ryots what indispensable subsistence required, or their own means of concealment enabled them to retain, and to seize on every portion of the surplus which violence or artifice could appropriate.

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## SECTION II.

Canongoes and Putwaries no check on the misdeeds of their superiors in office. Prescribed duties of the principal Mogul Revenue Officers. Impracticability of the Mussulman system. Its effects on the state and condition of the People. Conduct of Mogul provincial Officers at direct variance with the tenor of their instructions.

It has often been contended that, as the accounts kept by Canongoes and Putwaries afforded the means of accurate knowledge, in respect to the produce, occupancy, and cultivation of lands, as well as for a just and equal assessment thereof — and that as these officers derived their appointments directly from the state, and were altogether independent of local governors and collectors — they were, as intended, a check on the exercise of arbitrary power, and so far a protection to the rights and property of the Ryots; but every thing connected with the history of Indian revenue proves this supposition to be unfounded. The system, being highly complicated, required

multifarious accounts. These were framed with a plausible appearance of accuracy ; but professing to reduce into fixed and permanent ratios that which was in its nature ever changing, the accounts of a district were one thing, whilst its cultivation and produce were quite another. The collections were accordingly made on purely conjectural estimates ; regulated by no other rule than the caprice, or the wants, of the receivers ; and nothing was certain in the system, but that the Ryots were left no more of the yieldings of their labor than enabled them to exist in the current year, and to reproduce funds for spoliation in the next. So far were the Ryots protected in their vocation ; but so far also were they robbed of all that could conduce to their improvement ; and where Canongoes and Putwaries did not actually participate in the general spoil, they were at best but passive observers of what they had no power to resist, and dared not to oppose by public remonstrance.

The accounts of so complicated a system of taxation as has been described in the preceding pages, including the formation, as well as the collection, of the Jumma, the opening which it affords to the practice of fraud and collusion, and the checks naturally devised to guard against imposition, would necessarily give rise not only to large establishments,

but also to voluminous records. The Putwary in his village, and the Canongoe in his circle, were required to keep registers and accounts of every occurrence, and of every change connected with the revenue, the occupation, cultivation, and produce of land ; the names of every Ryot ; the quantity, quality, and actual state of every field occupied by each, and of their various and ever-varying products. The quantities and particulars of waste as well as of cultivated lands ; the boundaries of private tenures, of villages, and of districts ; the number of fruit trees of different kinds distinguished into classes of young and not yet bearing, bearing, and past bearing ; the number and condition of wells, tanks, and embankments ; together with lists of houses, shops, working tools, machines or instruments, ploughs, oxen, buffaloes, in short the minutest particulars connected with land, or with taxation.

The Tepukchy was instructed to receive, collate, and arrange, the accounts of the Canongoes and other superior officers, so as to be enabled to satisfy the Aumil in every particular regarding the nature and capacity of the country ; engagements made with the Ryots ; boundaries of villages ; waste and arable lands ; names of the Munsif, (a civil

judge for suits not exceeding 50 Rupees), measurer, watchmen, Ryots, and Munduls of villages ; state of the harvest and crops ; the proportion of assessment on each Ryot, with the revenue of the whole village, to serve as a rule for the Aumil's collections ; the measurement of the lands, and the portion cultivated by each Ryot ; the accounts of demands, receipts, and balances of every village, furnishing the Aumil with a daily report of receipts and balances, so as to stimulate him to the performance of his duty. " He was also to keep " a journal of receipts and disbursements under every name and form to be daily authenticated by the seals and signatures of the " Aumil and treasurer ;" a register of the rates of exchange, and market prices of every article ; and, at the end of harvest, and of the year, certain closing accounts were to be delivered to the Aumil, and copies sent to the Presence, exhibiting the collections made, and balances due, from the country ; and the treasurer's receipts and disbursements, up to the same period.

To the Aumildar, who had the general controul and superintendence of all the officers and the accounts of his collectorship, was also enjoined the preparation and arrangement of sundry statements, as well for his own guidance, as for periodical reports to the Presence.



These reports were required to exhibit the information contained in the subordinate accounts regarding crops, measurement, occupancy, and produce of lands; estimates of revenue, with the amount realized, and balances remaining; the condition of the inhabitants; nature and particulars of their tenures, and of their cultivation; the market prices of goods; rent of houses and shops; state of artificers; and every other remarkable occurrence. If no Cutwal was appointed for the district, the Aumil was also to execute that office.

The object of thus enumerating the principal officers employed in the civil and revenue departments of the Mahomedan administration—the prescribed duties of each—and the accounts, or rather some only of the accounts, they were required to keep and furnish, together with as many of the taxes imposed on the Ryots as I could with precision state, is to shew the extremely complicated nature of an Indian system of land taxation; the utter impossibility of its being reduced to any certain rules, or equal rates of assessment; and I might add, the utter impossibility of the prescribed duties being either accurately or usefully performed. Some of the native accounts above adverted to were, however, prepared with so much skill, and so plausible an appearance of accuracy, as to induce a belief, in later times,

that they were worthy of confidence; but wherever European collectors have taken the pains to compare them with the actual culture of any district, they have been found to be nothing better than mere fabrications.\* The official records of former times also plainly indicate the doubtful and uncertain nature of the documents in question. In the Firman of instructions, for example, to an Aumildar, he is required “to make trial of different portions of land in order to gain a competent knowledge of its various properties; for there is a great difference (it is added) in the value of land; and some soils are only capable of being cultivated for particular purposes.” The manner of assessing and collecting a grain revenue is described to be after four ways, as follows:—“First, *Kunkoot*—*Kun*, in the Hindoo language, signifies grain, and the meaning of *Koot* is conjecture or estimate. The way is this. The land is measured with the crops standing, and which are *estimated* by inspection. Those who are conversant in the business say that the calculation can be made with the greatest exactness. *If any doubt arise, they weigh the produce of a given quantity of land consisting of equal proportions of good, middling,*

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\* *Vide Vol. I. p. 470 and 476.*

“ *and bad, and form a comparative estimate*  
 “ *therefrom.*” Second, Buttiey, also called  
 “ Bhaweley, is after the following manner.  
 “ They reap the harvest and collecting the  
 “ grain into barns there divide it according to  
 “ agreement. *But both these methods are lia-*  
 “ *ble to imposition, if the crops are not carefully*  
 “ *watched.* Third, Kheytt Buttiey, when they  
 “ divide the field as soon as it is sown. Fourth,  
 “ Lang Buttiey. They form the grain into  
 “ heaps of which they make a division. When-  
 “ ever it will not be oppressive to the subject, let  
 “ the value of the grain be taken in ready money  
 “ at the market price.”\* It is not very likely,  
 in this latter case, that the interest of the sub-  
 ject would be much consulted when the valua-  
 tion of the grain, and market price, were to be  
 settled by the Aumildar, and his officers.

The Aumildar was also enjoined not to  
 “ entrust the principal men of the village  
 “ with making the estimates of Kunkoot”—  
 that is, not to employ the only persons who,  
 if they chose, could do the business accu-  
 rately. A proprietor, or farmer, of land, or  
 both together, residing on the spot, and know-  
 ing from year to year the exact produce of  
 every field occupied, may fix the value thereof  
 with accuracy between each other, in reference

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\* Ayeen Akbery, part iii. p. 327.

to rent, which the officers of government might find no great difficulty in afterwards ascertaining, and taking therefrom a fair proportion as revenue, or tax. But for public assessors to ascertain the real gross produce of every field of an extensive empire, not only without the aid, but in opposition to the will, because opposed to the interests, of the occupants of the soil, is a task of which some conception may be formed by those who will take the trouble to reflect on the following circumstances.

Let us suppose England to be divided into small tenures, not much bigger than Irish potatoe gardens;\* the produce of the soil a great variety of articles, of which some one, or more, come to maturity in almost every month in the year; the present landlords forced to emigrate, or reduced to cultivate their own lands, or perhaps converted into Zemindars, with power to exact, fine, flog and imprison, *ad libitum*; the land tax fixed at one half the gross produce, to be ascertained by admeasurement of every acre, and by valuation, or by weighing the produce; or, in the event of difference of opinion with the cultivators of any village or district, by calling in the far-

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\* In the Ayeen Akbery these portions are stated at 30 to 90 Begahs of arable land, corresponding with 10 to 30 English acres.



mers of a neighbouring district to settle the dispute. From the oppressive, as well as vexatious, nature of this tax, let us also suppose that the fears and jealousies of government occasion the appointment of hosts of revenue servants, armed, and unarmed, some to make, others to check, the collections; that accounts, and check-accounts, be also multiplied to guard against imposition; and that servants, required for these various purposes, be authorized to collect additional imposts from the cultivators, or to have lands assigned to them, as a remuneration for their own services; and that under colour of these privileges and grants, excessive exactions are enforced, leaving but a bare subsistence to the farmers; that this system of taxation should be liable to increase with every increase of cultivation; that the defalcations of one farmer, or of one village, should be made good from the surplus produce of others; that the spirit of the people should be so broken by the rigors of despotic power, as to suffer the government with impunity to step forward, and declare itself sole proprietor of all the lands in the country; and that its avarice and cravings had so multiplied imposts as to inspire cultivators with the utmost alarm and dread, whenever changes, or reforms, were projected

in the revenue administration, lest (as was generally the case in India) further additions should be made to their almost intolerable burdens. Let the reader, I say, consider these things, and then ask himself, whether a government assessor, with every soul in the country thus opposed to his research, is likely to attain the requisite information for justly valuing every acre of cultivated land, including every variety of soil, and of product ; or, if it could be justly valued, whether the collectors of such a government were likely to be guided by any better rule than to extract, from the contributors, all that could with safety be drawn into their own, and the public, purse.

This, however, is but a sketch of that state society in Hindostan ; of which demoralization was the inevitable result. Where laws, regulations, and even official instructions, are but a name ; where power is really uncontrouled, and usage affords abundant openings for its arbitrary exercise, the holders of power, with their numerous hangers-on, will be arrayed on one side as instruments of oppression, to which the Ryots, or the mass of the people, have nought to oppose but evasion, falsehood, artifice, and cunning. Some of the worst passions of the human mind, thus called into constant action, become settled habits ; and

every rising generation being of necessity, and from infancy, driven to the practice of these habits, a character of slavish submission, and moral degradation, is generated, which it is most illiberal, and unjust, to impute to this oppressed people, as inherent and incorrigible depravity.

At the bottom of all this evil is the revenue or financial system of India, either introduced by the Mussulmans, or continued from an earlier age, and handed down without variation in all its main features and principles to the present hour. It is this system which, to my mind at least, affords a clue to the mazes of Asiatic despotisms; to the chief distinctions of character observable between the inhabitants of the eastern, and western, world; and a full answer to the fallacious reasoning founded on the supposed immutability and castes of native Indians.

Writers on India, and even the local official servants of the Company, have always been too much given to cling to native records, and the institutions of older times, having a plausible appearance of method and order, as if they were systems which had been in regular and established operation, enforced or controuled by fixed laws or regulations, not to be evaded with impunity; and apparently for-

getting altogether that the executive government, like all Asiatic monarchies, was one of pure arbitrary will, and discretion, from the highest to the lowest holders of power. Existing authorities consequently concur in representing the financial department of these administrations as one uniform scene of indiscriminate rapine; whilst the pretended registers of the assessment, cultivation, and produce of land, were mere speculations, in point of accuracy or utility not worth one straw, from the famed Tumar Jumma of Tudor Mull, down, I verily believe, to the celebrated Ryotwary assessment of Sir Thomas Munro.\* The Ayeen Akbery itself affords

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\* The reader should always keep in mind in respect to these highly lauded registers, that the Tumar Jumma is expressly termed by the learned Abul Fazel, "*an estimate of the produce of lands,*" taken from such accounts as the provincial Canongoes thought proper to produce; that in another place it is said to have been settled "on the representations of men of integrity," and at a time when the "harvests were uncommonly plentiful;" and in another, that he describes the mode of assessing lands which he terms "Kunkoot" literally meaning a *conjectural estimate of grain*. In *Vol. I. page 465*, we have Sir Thomas Munro's own acknowledgment, that after much labour and expence, and sending forth one assessor after another to correct errors and detect frauds, he was at length reduced to the necessity of trusting, like Tudor Mull, to the estimates of "men of integrity," and fixing a sum of revenue in the gross on each village for which the whole community were made responsible.



decisive evidence of the little regard shewn to what were called, or considered, fixed legal rates of land-taxation. It says, “ In former  
 “ times the monarchs of Hindostan exacted  
 “ the *sixth* of the produce of the lands; in the  
 “ Turkish empire the husbandman paid the  
 “ *fifth*; in Turan the *sixth*; in Iran the  
 “ *tenth*; but at the same time there was levied  
 “ a general poll tax, which was called *Kheraj*.”\*  
 Of the aggregate amount of this exaction we may form a tolerable conjecture, by its being explained to us, in the following page, that, “ in Iran and Turan, government has  
 “ taken one tenth of the produce of the  
 “ soil, but at the same time the *husbandman*  
 “ is loaded with a number of other taxes, which  
 “ altogether exceed half the produce.”† In page 310, Abul Fazel gives an account of various vexatious taxes, equal, he says, in aggregate amount to what his translator calls the quit rent (by which I presume he means

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\* In Turkey the capitation tax, according to Volney, is also called Karadj. In Indian writers generally the term Kheraj is used to express the Mussulman land-tax imposed on vanquished Pagans — *Vide Vol. I. p. 319*; or in other words, the ransom which Mussulman conquerors exacted from unbelievers for the great mercy of not slaughtering them, and enslaving their wives and children.

† Vol. I. Part 3. p. 299, 300

the Jumma) of Hindostan ; for after Akbar's reign, we know, that in Bengal, the Abwabs alone nearly doubled, and in Cossim Ali's time more than doubled, the original Jumma.

But, it will be said, these vexatious taxes were all remitted by the "boundless bounty" of the emperor Akbar. I have already expressed my doubt of the actual remission. The Firmans of the Moghul emperors abound with excellent instructions, sound advice, the best moral precepts, and expressions of anxious solicitude for the happiness and prosperity of the Ryots. These Firmins have excited not only the admiration, but the belief of many writers, that they were the practical principles of a Mogul administration. In practice, however, what were they but a dead letter ?\* At all events, to whatever extent the "boundless bounty" of Akbar may, for a time, have been exercised, we know, from

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\* It is curious to compare the "Instructions for the Sepahsillar or Viceroy" in the Ayeen Akbery, with the actual conduct of these officers in their respective governments. The one is a grave exhortation to all that is good and righteous, whilst the other, as far at least as it can be traced in history, is conspicuous for the utter disregard of every thing but the gratification of his own will. We may hence learn to estimate the value of imperial rescripts, in governments like those of Asia, when such rescripts are at variance with the objects or interests of the persons to whose execution they are entrusted.

indisputable evidence, that in the provinces generally, “ imitation, (as Mr. Orme expresses himself on this head) had conveyed the unhappy system of oppression, which prevails in the government of Hindostan, throughout all ranks of the people, from the highest even to the lowest subject of the empire. Every head of a village calls his habitation the Durbar, and plunders of their meal and roots the wretches of his precinct; from him the Zemindar extorts the small pittance of silver which his penurious tyranny has scraped together; the Phouzdar seizes upon the greatest share of the Zemindar’s collections, and then secures the favor of his Nabob by voluntary contributions, which leave him not possessed of the half of his rapines and exactions; the Nabob fixes his rapacious eye on every portion of wealth which appears in his province, and never fails to carry off part of it; by large deductions from these acquisitions he purchases security from his superiors, or maintains it against them at the expence of a war. Subject to such oppressions, property in Hindostan is seldom seen to descend to the third generation.”

These systematic exactions were much encouraged and confirmed by the universal practice of public officers, including the revenue

servants, being remunerated, the higher officers by splendid local grants, the others by deductions, from the gross Jumma, or by local assignments of land, or by making collections on their own account in the shape of land rent, or of fees, or Sayer duties, or other imposts. It was in fact, in a government so thoroughly discretionary as that of Hindostan, an authority to all placemen to help themselves; whence every local expence, whether of a public or private nature, was first defrayed out of the only existing source of supply, the gross produce of land; the net surplus alone being remitted to the imperial treasury, whence no portion again issued but to gratify the pleasures, to satiate the ambition, or to wreak the merciless vengeance, of its sovereign lord.

But the hands which could habitually indulge in this description of plunder were not likely to be scrupulous wherever wealth, in any other shape, presented itself to their grasp. In India, bankers, or money dealers, called Shroffs, have always been noted for accumulating, like the Rothschilds of the West, large gains from dealing in the precious metals, and bills of exchange; and, like the Jews formerly in Europe, were equally marked as men whom it was no crime to plunder,



and maltreat at pleasure. To those who have been long resident in India, numerous atrocities of this description will be well known ; but I cannot avoid transcribing one of those occurrences, noticed by Orme, because it is so truly descriptive of those habits, and that state of society, which I am here endeavouring to account for. Mr. Orme's narrative is as follows : “ As soon as a man  
 “ becomes conspicuous for his possessions,  
 “ and begins to despise keeping measures  
 “ with the Durbar, by neglecting to supply  
 “ the voluntary contributions which are expected from him ; instead of giving him  
 “ poison, which would not answer the end  
 “ proposed, *as his treasures are buried*, he is  
 “ beset with spies, *commonly of his own domestics*, who report even to the minutest of his  
 “ actions ; offers from discontented parties  
 “ are made to him, a commerce with the enemies of the province is proposed ; if he avoids  
 “ these snares, a profitable post in the government is tendered to him, which if he  
 “ accepts, his ruin is at hand, as the slightest  
 “ of the villanies practised in every branch of  
 “ it becomes foundation sufficient to render  
 “ him a public criminal ; should he have escaped this too, it remains that some more  
 “ glaring and desperate measure of iniquitous  
 “ justice hurry him to destruction. *Let the*

*“ following example suggest and supply the  
 “ many which might be produced.*

“ A very wealthy house of Gentoo bankers  
 “ were admonished at Muxadavad of the Na-  
 “ bob’s necessities for money; and, better  
 “ versed in the art of amassing than in the  
 “ methods necessary to preserve their riches,  
 “ they presented a sum much more agreeable  
 “ to their own avarice than to the expectations  
 “ of their persecutors. None of the usual  
 “ snares were likely to succeed with people  
 “ of their excessive caution. One of the  
 “ dead bodies which are continually floating  
 “ upon the river Ganges happened to be  
 “ thrown ashore under the walls of their dwel-  
 “ ling house; which was immediately sur-  
 “ rounded by the officers of the civil magis-  
 “ trate, and nothing heard but execrations  
 “ against these devoted criminals, who were  
 “ proclaimed the murderers of a son of Ma-  
 “ homed. The chief of the house was hurried  
 “ away to a dungeon prepared for his recep-  
 “ tion, where, after having thrice endured the  
 “ scourge, he compromised the price of his  
 “ liberty, and the remission of his pretended  
 “ crime, for the sum of 50,090 rupees (6250*l.*)  
 “ This man I personally knew.

“ Warned by such examples, the more in-  
 “ telligent man of condition sees at once the

“ necessity of ingratiating himself into the  
 “ favor of his prince by making acceptable  
 “ offerings proportioned to his fortune. It  
 “ would not be credited that the family of  
 “ Futtichund, shortly after his death, gave in  
 “ one present, to the Nabob of Bengal, the  
 “ sum of £300,000 sterling, were it not known  
 “ that the man, by having managed the mint  
 “ and treasury of the province for forty years  
 “ successively, was become the richest private  
 “ subject in the empire.\*

Here then is a state of society arising out  
 of the financial system of the Mahomedans,  
 which we have condescended to make the  
 basis of our own. Like *the root that beareth  
 gall and wormwood*, it has fixed a curse on  
 India, bitter as the lot of Israel, for adopt-  
 ing the abominations of Canaan. We here,  
 in fact, behold a system which, from its  
 enormous exactions on public and private  
 account, confirmed and perpetuated univer-  
 sal poverty ; with poverty, ignorance ; and  
 on these two corner-stones of despotic power,  
 fixing the foundations of its strength and  
 permanency — a system radically destructive  
 of property in land, and absorbing every

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\* Orme on the Government and People of Hindostan,  
 p. 448.

other proprietary right, save what the possessor could secretly conceal, or openly defend by the edge of his sword—a system which called into activity the meanest and basest passions for defence against oppression and wrong—a system in which violence and extortion on the one hand, begat slavish submission and hate on the other. Every new expedient became the parent of fresh evasion ; till fraud, collusion, secret alienations, disguise, dissimulation, intrigue, bribery, trickeries and treacheries of all sorts, grew up into characteristic habits among the people ; every man distrusting his neighbour ; looking only to self-preservation, and careless about political changes—a state, in short, in which power had so completely debased the minds of its victims, that the wonder is, not that many virtues should have fled the earth, in this iron age of oppression and misery ; but that any should have lingered behind, to relieve the dark shades of human infirmity.



## SECTION III.

State of Bengal after transfer of the Dewanny to the Company in 1765.

Description thereof by Governor Verelst in 1769. Continued to a late period under the British Government, and proved by facts quoted from Official Records.

AFTER the transfer of the Dewanny lands in Bengal in 1765 to the Company, and in every province since acquired by the British Government by cession, or conquest, the state of society has uniformly exhibited the same examples of moral degradation. Various proofs are given in the preceding volume. The best histories of India,\* the Fifth Report with its voluminous appendix, and numerous printed official documents, abound with others; all confirming the important fact — that the revenue system *now* in force, coupled with the exactions of the revenue servants, had every where sealed the poverty of the inhabitants; and that in addition to poverty, the same ignorance, the same fears, suspicions, and vices that are the common features of every other Asiatic state, were universally manifest.

In an able document, entitled “Instructions to Supravisors in 1769,” by Mr. Verelst, or four years subsequent to the acquisition of the

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\* Vide Orme, Mill, Wilks.

Dewanny, it is clearly enough attested that the Revenue System, by multiplying superfluous agents and inferior collectors, had been, as it ever will be, a source of extortion not to be controuled. We read, in this and other documents, of fraudulent alienations of land by the revenue servants on various pleas; some for their own use, and some on pretence of charitable or religious donations; of abuses in the bestowal and sale of Talooks, some to reward the creatures of government, others obtained by unwarrantable means, and held with extraordinary immunities; of the similar appropriation of Jaghires, and waste lands, and embezzling the produce of Khomar lands,\* of “grievances equal to the former in the variety of demands which the collector, from the Aumil and Zemindar to the lowest Pyke, imposes without any colour of license from government, some of which have been so long exacted and paid, that Ryots begin to imagine the oppression is sanctified by government, and is not the mere fraud of the collectors;” of illegal fees and duties col-

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\* *Khomar* — Lands, the Ryots of which do not pay a money rent, but divide the produce at certain rates of shares with the Zemindar; contradistinguished from Ryotty lands, in which the government duties are paid in money.

lected at Gauts, and public markets, by police officers appointed to protect the inhabitants, but more frequently the instruments of their oppression ; of provincial and village accounts “ merely adapted to the private interests of the Zemindars, filled with representations designedly disguised, to square with their offers, and accounts with government, *loosely, unfaithfully, and partially formed in every instance.*” Of Zemindars in particular it is added that, under the name of Nankar\* allowance, they misapplied lands : one spot to yield rice, another pasture ; particular tanks to afford fish and water ; and in like manner distinct spots for every distinct article of consumption ; thus “ laying hands on the revenue of government, and on the property of the Ryots, where he (the Zemindar) had no foundation of right nor colour of pretence ;” that they exacted from the inhabitants Nuzzeranas, or presents in provision and money, whenever they, or their attendants, moved through the district ; that they levied fines at will ; raised large sums from duties collected in the public markets ;

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\* *Nankar* — An assignment of lands or of the government dues equal to 5 per cent. of the net revenue, for the support of Zemindars and other public servants.

assumed authority over the Ryots to require their labour gratuitously ; that they claimed illegal perquisites under the denomination of Batta, or discount on Rupees, at an arbitrary valuation, besides usurious interest, and fraudulent valuations arbitrarily imposed on products received from Ryots in return for Tuckary\* advances. Governor Verelst's account indeed, in 1769, of the conduct of Zemindars is one which subsequent investigations have fully confirmed. He adds " the truth cannot be doubted that the poor and industrious tenant is taxed by the Zemindar or collector for every extravagance that avarice, and ambition, pride, vanity, or intemperance may lead him into, over and above what is generally deemed the established rent of his lands. If he is to be married, a child born, honors conferred, luxury indulged ; Nuzzeranas (presents) or fines, exacted, even for his own misconduct ; all must be paid by the Ryot ; and what heightens the distressful scene, the more opulent, who can better obtain redress for imposition, escape, while the weaker are obliged to submit."

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\* *Tuckary* — Money advanced on loan to Ryots to enable them to cultivate their lands.



Numerous official documents might be quoted, or referred to, to prove that the same, or nearly the same state of society has continued to exist in all the countries which have passed under the Company's dominion. It could not, indeed, be expected that the character, and habits, of a people would immediately change with a change of masters. Poor, ignorant, and oppressed, an Indian drags on the load of life in the same chains under each successive ruler; and the system which mainly contributed to seal his degradation, being perpetuated in its principal features by the British government to the present hour, how can we expect the native population to be different now from what we then found them? It is not pretended to assert that, under the British government in India, the inhabitants have been wantonly hunted down like wild beasts; or that rich Shroffs have been imprisoned, tortured, and fleeced at the will of a viceroy; or that decisions have been openly sold to the highest bidder in our Courts of Justice; that many vexatious duties have not been abolished, and commerce more generally encouraged; or that persons and property are not more respected, and secure, under our, than under either a Mussulman, or a Hindoo administration; as far, at least, as the authority, and the laws,

of our government, can be effectually put in force. All this, and more, would be readily conceded in favour of the Company's government in India; but when the character of a people has been formed, and fixed, by many centuries of dire oppression, the removal of evils of limited influence, or partial occurrence, will do little or nothing to call forth confidence or hope—to cheer the mind with the prospect of improvement,—if the more important evils of universal and unceasing operation are continued. The advocates of the existing system must, therefore, admit that our government is arbitrary in theory, and in practice; that in the most important of all its arrangements, the revenue, it has followed, and perpetuated, the Musulman system; and though the execution of this system has often been entrusted to some of the ablest and most humane of men, yet to mitigate its severity, in any great degree, has been beyond their power. The expences of government required all the revenue that could be collected for its support. To realize a land revenue of this amount, large establishments of native officers were also indispensable; and with a handful of European collectors, and judges, thinly scattered among 80 or 100 millions of people, it is too

much to expect that any controul they could exercise would be effectual either to improve or to restrain settled habits, which had for ages struck their debasing roots into all the ordinary occurrences of Indian life.

It has been sometimes alleged that much of the corrupt dealing and embezzlements of former times, by native officers in power, has been progressively checked by the extreme vigilance, and inviolable integrity, of many of their European superiors. That this has been the case in some instances may be conceded; but it must on the other hand be admitted, that, to the same extent as illegal private exactions have been repressed, the public revenue has been proportionally increased. That perpetual aspiration after more, which the system itself has a strong tendency to inspire, is abundantly manifested in the conduct of our collectors, and in the immense additions every where made, from year to year, to the Jumma of newly acquired provinces, over and above the declared official amount at the period of their acquisition.\* On this head authentic records attest that not only have illegal imposts and exactions been incorporated with the land rent, but that the assessment has been sometimes raised so high as to absorb also the trifling rents re-

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\* *Vide Vol. I. p. 401.*

maining to landholders, “no intermediate person being acknowledged between the state and the actual cultivator;” that the demand of revenue was thus greater in the aggregate than could be realized; and that attempting (as in Ryotwary settlements) to fix “a moderate equal assessment on each field, we imposed a most unequal and heavy *over-assessment* on the country.”\* In this way the sum total of demand on the unhappy Ryot remains unabated; his condition, it is much to be feared, is in no respect amended; and we may thus rationally account for that immutable pauperism and ignorance which the interior of India uniformly displays.

It would be an easy matter to fill a volume with proofs, from existing official records, of the lamentable state and condition of Indian Ryots, as arising out of the oppressiveness of our financial system. In addition to what has been said on this subject in *Chapter I.*, I shall here add a few examples of cases which occurred long after the country had become subject to the British government, that the reader may see what the effect has been, after our own administration had been in full force, for a series of years.

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\* Madras Rev. Board, 5th Jan. 1818. Vol. i. of Rev. Sel. p. 940 and 948.



In 1809, abuses had reached so great a height, that the Bengal government were anxious to adopt effectual measures to protect the Ryots against undue exactions by Zemindars, and others; and with this view called on the different judges and magistrates to report on the state of their respective circles; and to suggest the mode by which, in their opinion, this object might be best effected. In a report by the judge of circuit of Moorshedabad, dated 1st August, 1810, it is stated; “The Zemindar, “his farmers, and Amlah (officers of government collectively) of all denominations, “abuse the powers with which they are vested “to exact from the Ryot to the utmost extent “of his ability. He is thus often deprived of “the means of complaint; and this system, “carried on from year to year, reduces the “Ryot to the extreme of poverty; frequently “the cause of the commission of crimes; *not, “it is to be hoped, from any inherent depravity, “but driven thereto by necessity, to obtain a “precarious and insecure subsistence.”*

The magistrate of Dinagepore, under date 24th July, 1810, on the same subject, says— “Three causes are pretty apparent to account for this poverty. 1st. The general “character of the Zemindars. They are “low people; low in their original charac-

“ ter, and not since raised by their fortunes.  
 “ Heretofore dependents on the Raja of the  
 “ district, and who occasioned the dismem-  
 “ berment of his estates by their plunder; and  
 “ which again at the public sales enabled them  
 “ to concentrate in their own persons the  
 “ estates of their master. 2d. Another class  
 “ of the Zemindars are men of great wealth,  
 “ whose sole object is to add daily to their  
 “ store. They are resident in other parts,  
 “ &c., draw from hence their lacs annually,  
 “ to the impoverishment of the district. 3d.  
 “ What is the natural effect of the other two ?  
 “ A general system of rack-renting, hard-  
 “ heartedness, and exactions, through far-  
 “ mers, under-farmers, Kutkeenadars, (under-  
 “ tenants) and the whole host of Zemin-  
 “ dary Amlah. Even this rack-renting is un-  
 “ fairly managed. We have no regular leases  
 “ executed between the Zemindar and his te-  
 “ nants. We do not find a mutual consent,  
 “ and unrestrained negotiation, in their bar-  
 “ gains. Nothing like it; but instead, we  
 “ hear of nothing but arbitrary demands en-  
 “ forced by stocks, duress of sorts, and bat-  
 “ tery of their persons.

“ There is also an intermediate class, the  
 “ money man, in every village, who first re-  
 “ lieves, then aggravates the evil by his own

“usurious practices, and enforces them by like means.

“The general consequence is general poverty.”\*

In like manner, the collector of Rajeshahye, in August 1811, reports as follows on the same subject. “The apprehensions of government that considerable abuses and oppressions are committed by those vested with the power of distraint are, I am convinced, but too well founded; but I firmly believe that government is not aware of one half of the abuses committed in consequence of this power being vested in the Zemindars. I therefore consider it my duty to point out some of the evils which have most forcibly struck me. In the first place, should a Ryot incur the displeasure of his Zemindar, certain ruin stares him in the face. A false demand is immediately made for rent, and followed up by the distraint of his property, and an application to the proper officer for its sale, and as the Regulations now stand, neither the commissioners can decline selling the property distrained, nor the judge himself afford any redress to the poor Ryot. He probably puts himself to the expence of a

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\* Beng. Rev. Sel. vol. i. p. 211.

“ journey to the Court, presents a petition  
 “ on stamped paper, stating his grievances,  
 “ and the judge tells him, he must pay the  
 “ demand, whatever it may be, and institute  
 “ a suit against his Zemindar. The Ryot  
 “ represents that he is ruined, and cannot pay  
 “ the institution fee. He is directed to pro-  
 “ secute as a pauper ; but in the mean time  
 “ how is he to live ? and what is to become  
 “ of his family ? probably turned out of their  
 “ houses, destitute of every comfort and com-  
 “ pelled to resort to illegal practices to save  
 “ themselves from starvation : or possibly  
 “ the complainant is assaulted and severely  
 “ beaten by the Zemindar’s orders for his  
 “ presumption in having applied to the Court  
 “ for redress. Indeed I might venture to as-  
 “ sert, that such complainants run a great  
 “ risk of being disposed of in a manner that  
 “ may quiet the apprehensions of the Zemin-  
 “ dar of his being further molested by a dis-  
 “ satisfied Ryot ; and in such cases the hold  
 “ the Zemindar has over his dependants de-  
 “ ters them from deposing a syllable before  
 “ the magistrate contrary to his wishes.”\*

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\* The collector of Nuddea also observes on this part of the  
 subject : “ The fears of these poor people are not without  
 “ foundation ; for it is a lamentable but well known fact, that



Numerous official reports from other quarters describe the people in the same unnatural and disorganized state. The Zemindar's only security for the possession of his estate being the punctual discharge of the government revenue, to screw this out of the wretched cultivators is his first consideration. With his miserable pittance of one eleventh (*Vol. I. p. 360.*) he, the under tenants, farmers, Ryots, and all the Amlah\* together, are then left to scramble and fight for the remainder of the produce. At this time, it must be remarked, enactments were in force to regulate the process of distraining for rent, and consequently *intended* to protect Ryots against oppression. We have here therefore another signal example of the inefficacy of laws and regulations, when opposed to the operation of so destructive and uncontrollable a system. We see how feeble is the effect of a mere written law, to correct inveterate abuses, which that system irresistibly engenders — to enforce a compliance with speculative rules which the leading interests of society,

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“ a great number of Ryots who have presumed to contest unjust demands have been made victims of the farmer's revenge.  
 “ *Innumerable instances could be quoted in support of this assertion.*”—Beng. Rev. Sel. vol. i. p. 236 & 239.

\* Government officers collectively.

so far from seconding, are strongly excited to evade.

It has been already remarked, *Vol. I. p. 378*, that the provisions contained in these enactments, and intended for the protection of Ryots, were found in practice to be illusory and ineffectual; wherefore Reg. V. of 1812, was passed to modify the objectionable or defective parts. The modifications, however, were little more than a change in the forms of proceeding. One or two objectionable provisions were rescinded. But the Regulation itself seems to have afforded as little security to property, and private rights, as any of its predecessors, as may be inferred from the following further instance referred to in a letter from the Court of Directors to the Bengal Government, of 11th June 1823, or eleven years after the aforesaid regulation was passed. The case is the more remarkable, from having occurred in the 24 Pergunnahs, i. e. the district immediately surrounding Calcutta, the seat of the Government General, and under the eye, as it were, of the Revenue Board.

A Talookdar of the twenty-four Purgunnahs had encouraged some Ryots, under the sanction of Pottahs, to extend their cultivation, but at their own cost, to adjoining

waste lands. These wastes had lately attracted the notice of the higher authorities, on the supposition of their being fairly liable to assessment, from not having been included in the Permanent Settlement in 1793. The Ryots, on this occasion, were desirous of being relieved from dependance on an oppressive Talookdar, as far at least as regarded these lands which they had cultivated at their own expence; and accordingly petitioned the Revenue Board in the following terms.

“ The petition of certain persons, Ryots of  
 “ Kismut Kistnaranissore, dated 5th January,  
 “ 1818, sets forth as follows : That should your  
 “ Honourable Board be pleased to order a settlement to be made (viz. for the lands which  
 “ they possessed) with Ramulta Mitre (the  
 “ Talookdar), it will be the total ruin of your  
 “ petitioners, and the loss of their exertions  
 “ and money advanced amounting to nearly  
 “ 85,000 rupees (10,625*l.*); as the oppression  
 “ and injustice of Ramulta Mitre, is such, as  
 “ to prevent the possibility of your petitioners  
 “ remaining on the lands, they have been repeatedly obliged to complain against his  
 “ acts of oppression and injustice. That the  
 “ said Ramulta Mitre has done every thing  
 “ in his power to dispossess your petitioners,  
 “ in order to get other Ryots at an increased

“ Jumma. That he has forced us to advance  
 “ him nearly one year’s revenue. That in  
 “ the event of our refusal of any terms he  
 “ may propose, he has us brought before him,  
 “ ties our hands together, flogs us, imprisons  
 “ us in his own house, until we come to such  
 “ terms as he may think proper to dic-  
 “ tate. That in one instance, a complaint  
 “ having been lodged against him for such  
 “ like tyranny and oppression before the late  
 “ Mr. Elliot, the magistrate, he was sentenced  
 “ by that gentleman to be imprisoned six  
 “ months in the Foujdary jail.”

When this petition attracted the notice of the Court of Directors, they remarked upon it, with their usual anxiety for the welfare of the Ryots, that “ their allegations of ill  
 “ usage at the hands of the Talookdars were  
 “ serious in the highest degree, and indicated  
 “ a want of protection for this class of the  
 “ people which it is distressing to believe,  
 “ and for which a remedy should be unceas-  
 “ ingly sought.”\*

There is also a letter on record from the collector of Allahabad, of 14th May, 1818, in which the operation of Reg. V. of 1812, is particularly noticed. It hence appears that

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\* Beng. Rev. Sel. vol. iii. p. 113.



the modifications, so far from being of avail in protecting Ryots, were made the groundwork of collusive proceedings by Ryots against Zemindars in some instances; and in others, of Ryots and Zemindars united against Government, the purchasers of estates at public sales, and the real proprietors of estates seeking to obtain possession.\*

In another letter, from the judge and magistrate of Rungpore of 2d April, 1815, it is further stated, that the Zemindars of that, and the neighbouring district of Dinagepore, perverted the provisions of sec. 3. of Reg. V. 1812, to entail in perpetuity on their wretched victims, the peasantry, a long series of exactions, of which the following are but a few specimens. In discussions of this magnitude, authenticated facts are more important than even the responsible assertions of official authorities.

One of them, Rajchunder Chowdry, bought a house at Rungpore, which cost 4100 Rupees  
 “ (512*l*.) It is a notorious fact that Rajchunder  
 “ Chowdry collected from the Ryots of his es-  
 “ tate, to defray this expence, no less a sum than  
 “ 11,000 Rupees (1375*l*.), under the bold item  
 “ of Delan Khurchu (house or hall money).”

The same Zemindar expended 1200 Ru-

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\* Beng. Rev. Sel. vol. iii. p. 176.

pees (150*l.*) on the ceremonies attending the birth of his grandson, and collected from his Ryots 5000 Rupees (625*l.*) on this account.

Another Zemindar, Sudasheb Raee, had his house burnt down. He imposed an addition on the rent-roll of his estate to defray the expence of rebuilding it; but having once “established the exaction, it outlived the  
“cause, and became a permanent addition  
“to the former rent, under the title of Ghur  
“Bunaee (house building).”

Sudasheb Raee celebrated a festival, which lasted three months, and cost him 20,000 Rupees (2500*l.*); all of which fell on the tenantry of his estate.

Jyram Baboo, a man of boundless extravagance, used to visit in great pomp, annually, the villages of his estate, levying contributions as he went along, under the name of Mangun, or Bhukha, which literally means begging. “I am unprepared (says the judge)  
“to state the amount of the collections thus  
“made; the mode in which they are levied  
“bids defiance to all enquiry. Lest, how-  
“ever, it should be thought that this practice  
“is confined to one instance, I beg to observe  
“that, this is the most general of all the  
“modes of illegal exactions practised in  
“Rungpore.”

Moonshee Himayutoollah, once Serishtadar of the judge's court, and late Dewan of the collectorship, bought a very large estate in Dinagepore. In a visit of ceremony to his new tenants, he collected from them, in Mangun contributions, a full moiety of the purchase money.

Himayutoollah had also occasion to buy an elephant, and exacted the cost, 500 Rupees (62*l.* 10*s.*) from his Ryots, it being "as essential" to their respectability, as his own, that he "should no longer mount the back of so mean" a quadruped as a horse."

Another Zemindar, Raee Danishnund Niteeanund, has very extensive estates in Rungpore, Dinagepore, and Moorshedabad. On his Rungpore estate alone he pays a revenue to Government of 69,742 Rupees (8742*l.*), and collects a cess on his tenants of one Anna in the Rupee, or 4358 Rupees (544*l.*) per annum to defray the expence of daily offerings to his idol, or household god, Bunwaree.

A farmer of the extensive Purgunnah of Dimla, named Byrub, was desirous of increasing the revenues of the Purgunnah. For this purpose he carried into the interior, 1000 Rupees worth of broad cloth, and bribing therewith, and with the promise of personal immunities, the Mundals, or head men of the

villages, he gained over these traitors, who, instead of being the protectors of the inferior inhabitants, now consigned them without remorse to the exaction and plunder of the farmer.

“ The above (adds the judge) are but a  
 “ few of the many practical proofs which may  
 “ be adduced in support of what I have ad-  
 “ vanced relative to the state of the Ryot in  
 “ Rungpore.” Every extra expence, and  
 every religious or superstitious ceremony is  
 paid for by the defenceless Ryot. “ Not a  
 “ child can be born, not a head religiously  
 “ shaved, not a son married, not a daughter  
 “ given in marriage, not even one of the ty-  
 “ rannical fraternity dies, without an imme-  
 “ diate visitation of calamity upon the Ryot.  
 “ Whether the occasion be joyful or sad, in  
 “ its effects, it is, to the cultivator, alike  
 “ mournful and calamitous.”

The following further remarks by the Judge and Magistrate, in the same report, are very important, as regards the general effects of our revenue administration abroad :

“ What I here bring to notice, may possi-  
 “ bly prove that, in Rungpore, it is not the  
 “ prevalence of gang robbery, and other pub-  
 “ lic crimes, which calls the most loudly for  
 “ a remedy. These are but the ramifications



“ of an evil, whose root has long flourished  
 “ in secret. The arbitrary oppressions under  
 “ which the cultivator of the soil groans, has  
 “ at length attained a height so alarming, as  
 “ to have become by far the most extensively  
 “ injurious of all the evils under which that  
 “ district labours ; and until by a steady ad-  
 “ herence to the most decisive and vigorous  
 “ measures, the bulk of the community shall  
 “ have been restored, from their present state  
 “ of abject wretchedness, to the full enjoy-  
 “ ment of their legitimate rights, I fear it  
 “ will be in vain to expect solid and substan-  
 “ tial improvement.

“ In my letter from Dinagepore to the ad-  
 “ dress of Mr. Secretary Dowdeswell, under  
 “ date 14th July last, I dwelt at some length  
 “ upon the very general perversion which the  
 “ landholders and farmers of this district and  
 “ of Dinagepore, made of the law of distress  
 “ and sale, to the furtherance of every species  
 “ of rapacity and extortion ; and I took the  
 “ liberty at the same time to suggest such  
 “ improvement as seemed to promise a miti-  
 “ gation of the oppressiveness of a law which,  
 “ though a necessary evil, must, under any  
 “ restriction, ever continue to be a cruelly-  
 “ powerful engine, in the hands of vindictive-  
 “ ness and rapacity, of crushing the poor and  
 “ the abject.

“ In the course of this address, I shall endeavour to shew to what a height rapacity, seconded by this and other instruments, has attained in the district of Rungpore. This enumeration will exhibit the state of the Ryot, far, very far more wretched than any one perusing in his closet the salutary rules of 1793 and 1794, and the many legislative enactments which preceded them, could conceive it possible for it to have become, under a systematic administration of those laws.”\*

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\* Attached to this report is the following note. “ From obvious circumstances it would appear that in point of fact the provisions of Reg. IV. 1794, were enacted rather to correct an inconsistency in the code of 1793, than to explain a law hitherto misunderstood. I am of opinion *that the limiting of Ryots’ leases, in common with all others to the term of 10 years by Reg. XLIV. 1793, has been the principal cause of the almost utter extinction in practice of the right of the cultivator to unlimited possession.* Had the framers of Reg. IV. 1794, openly corrected this mistake in contradiction to the provisions of Reg. VIII. 1793, instead of adding to the confusion by confirming the intricate and inexplicable system of a decennial renewal of rights which admitted not of alteration, the promulgation of Section 3. Reg. V. 1812, would not have been followed by the injurious consequences it has produced.”—Vide Beng. Rev. Sel. vol. i. p. 381 to 402.

The reader would do well to compare the whole of this very able report by Mr. Sisson in 1815, with the account of the state of the country, given by Governor Verelst, in his instructions to supervisors in 1769.—*Vide supra*, p. 56. *et seq.*

If these oppressions were of partial or rare occurrence, it might be thought invidious, or betraying a spirit of vulgar hostility to drag into public notice the peccadillos of a fair system, which in such case would amount to nothing more than another proof of the truism, that no human institution is perfect ; but when the public records attest the universal prevalence of these monstrous abuses — when they are found to occur far and near — not only in remote and obscure corners, but at the very doors of our metropolis, in spite of multiplied enactments and regulations to restrain the violence — when we see the Court of Directors pressing the subject of “ protection to the Ryots ” on their governments abroad for upwards of half a century, and that the ablest and best of their servants have, to this hour, failed in their endeavours to accomplish it — can we be otherwise than convinced that the operation of this baneful system is too powerful for the operation of law ? and that in the arrangements which must shortly take place for the future administration of India, it will be the duty of the legislature to provide more effectually for the security and comfort of this most important class of their Indian subjects ? But if the numerous laws hitherto enacted prove

ineffectual, ought it not to suggest to us some distrust in the capacity of Europeans, with all their admitted superiority of talent and political science, for the performance of the task? and if our own peculiar habits and acquirements unfit us for the duty of exclusively legislating for a people differing from us as widely in manners, as in geographical position, does not reason point out the adviseableness of drawing more copiously on that fund of sagacity, acuteness, local experience, and minute knowledge of the morals and habits of the people, which we have at our command in native aid? But this is a subject which will be fully discussed hereafter, and which it would therefore be premature to dwell upon here.

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#### SECTION IV.

State of the Madras provinces. Case of Causey or Cass Chitty. Exactions of Native Revenue servants, universal in the Collectorships under Madras.

But we must now direct our attention to the Madras territories. The testimony and opinions of the Revenue Board at Madras, of the Government there, and of the Court of



Directors (which will be further noticed presently) are given in various parts of the printed records. The unprotected state of the Ryots, the oppressions and exactions to which they are exposed, the dangers they incur from preferring complaints, and the unfitness of our institutions to afford them protection, or redress, are, as in Bengal, so fully and frequently acknowledged, so decidedly expressed, and in language so forcible, as to excite no small degree of surprise that a system\* fraught with so much avowed evil, should through a series of successive failures, be still pertinaciously upheld as the only one suited to the natives of India.

Although it may be true that illegal exactions have, in some instances, been partially checked by the vigilance and integrity of European collectors, there are still many other cases on record, in which they have been ascertained, on investigation, to have been carried to such excess as to leave no doubt that the evil is not to be remedied by all the courts of justice, and all the European influence of the country, united. One set of proceedings by a special commission in 1815, is given in the volumes before us, in which extortion and

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\* Mad. Rev. Sel. vol. iii. p. 556.

embezzlement are proved against one man, the native treasurer in Coimbetoor, by name Causey or Cass Chitty, to the amount of six Lacs of Pagodas, or about £225,000 sterling. In Salem, Rajahmundry, Tanjore, Malabar, and many other parts (not to mention the Bengal provinces) similar discoveries have been the result of local enquiry. This, indeed, is an evil of tremendous magnitude ; sufficient of itself to destroy industry universally ; and, as long as the system continues in which it originates, to leave not a hope of amelioration.

The proceedings in the case of Causey, or Cass Chitty, so fully illustrate this part of the subject, that a short notice of these will suffice for all. Cass Chitty was attached to the department of the treasury, under the collector of Coimbetoor, in 1805-6. His situation was at first a subordinate one : but keeping his object steadily in view, he gradually rose to higher steps, and became at length the head cash keeper. The influence and talent of this man were constantly directed to convert every person, and every thing, in the country to the benefit of his own private trade. Had his graspings been more moderate, he might possibly have continued them unnoticed to the present hour ; but when ex-

action was strained beyond the limit of patient endurance, when the plundered Ryots could bear no longer, — “ behold a cry ! ” — a body of the inhabitants repaired to Madras to represent their sufferings to the authorities at the Presidency ; an inquiry was instituted ; detection ensued ; and the following is given, in the report of the Commissioners of Inquiry\* as the result, dated 26th February, 1816.

The influence which Cass Chitty had established in the country was so great, that it was not till 1815 that full proof of his misdeeds could be obtained. In April of that year, the acting collector ascertained that 13,000 Pags. (5,200*l.*†) had been issued from the treasury, for the tobacco monopoly, ‡ without orders. In July following, he suspended Sita Ram Sing, the head of the tobacco department, for altering the pay list of the servants under him ; and shortly afterwards, the Tehsildar of Parandory, on a charge of embezzling

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\* The commissioners on this occasion were Colonel (Sir Thomas) Munro, and Mr. J. Sullivan, who had been appointed collector on the removal or death of the former collector Mr. W. Garrow.

† A Star Pagoda is valued in the Company’s account at 8*s.* sterling. Its intrinsic value is 7*s.* 5½*d.*

‡ It will be recollected that this monopoly (*vid. Vol. I. p. 553*) was established to aid and give effect to the tobacco monopoly in Malabar.

40,000 Rupees, (4,500*l.*\*) He next discovered that Cass Chitty had, in the beginning of the year, sent 8000 Pags. (3,200*l.*) from the treasury to the pearl fishery at Tutacorin for his own benefit. For this transaction Cass Chitty was suspended ; shortly after which the son of the suspended Tehsildar of Parandory was detected in the act of bribing, with 500 Pags., some heads of villages, to induce them to suppress information against his father, and Cass Chitty. The Tehsildar himself afterwards informed the acting collector that he had collected from the inhabitants, and paid to Cass Chitty, on account of the decennial lease, † 32,000 Rupees (3,600*l.*) for his own district, and 16,000 Rupees (1,800*l.*) for Darapooram. ‡

These were the first discoveries ; and another collector being appointed, who prosecuted the inquiries which his predecessor, the assistant acting collector, had so ably begun, the following facts were, on the arrival of the Commissioners, established to their full conviction.

Cass Chitty had contrived to place his own

\* The Madras Rupee is valued in the Company's accounts at 2*s.* 3*d.* sterling. Its intrinsic value is only about 1*s.* 11*d.*

† *Vide Vol. I. p. 514.*

‡ A subdivision, as well as Parandory, of the Coimbetoor collectorship.



creatures in several of the subordinate revenue appointments of the province; and not content with ordinary exactions from Ryots, he had an eye to every source of profit which presented itself. He consequently interposed in the tobacco monopoly; and endeavoured to establish a private monopoly in Ghee,\* and other articles; whilst the subordinate servants “ were compelled, in order to retain  
 “ their situations, to enter into his views, and  
 “ to become his agents in forming partial monopolies, in interrupting the dealings of  
 “ established traders, in extorting from the  
 “ Ryots the produce of their lands at a  
 “ rate far below the market price, and sometimes without any payment whatever, and  
 “ in storing and delivering over the articles  
 “ thus procured.”

The embezzlements, which the Commissioners report to have been substantiated against Cass Chitty, are classed under two heads, viz.

1st. Those in the collector's general treasury, and

2d. Those in the districts, of which an abstract is given in the following table, viz.

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\* *Ghee* — Clarified butter, in which state it is preserved for culinary purposes, and is in India a necessary of life.

From 1807-8 to 1814-15.	1st. Embezzlements in the Huzoor treasury.			2d. Embezzlements in the districts.			Total.				
	Star Pag.	F.	C.	Star Pag.	F.	C.	Star Pag.	F.	C.	or £. Sterling.	
Tank re- pairs }	46,494	19	17	40,409	24	35	86,903	44	34	„ 34,762	
Tobacco	131,617	13	44	12,296	—	18	143,913	13	62	„ 57,565	
Extra col- lections }	31,343	8	35	268,812	37	60	300,156	1	15	„ 120,062	
Sandal wood }				54,696	28	33	54,696	28	33	„ 21,878	
Sundries	4,555	33	43	3,643	23	47	8,199	12	9	„ 3,280	
Total	214,010	30	40	379,858	24	33	593,869	9	73	„ 237,547	

The frauds and contrivances of this man were ingenious, and would be amusing enough, but for the injuries they inflicted on the oppressed Ryots. They afford, at all events, subject matter for legislators to reflect on; and may even furnish hints to those who are too prone to consider the Hindoos of India as a nation of incapables.

Cass Chitty had a private chest in the treasury, to which he transferred, without reserve, from the public money, such sums as his occasions required, and replaced the amount by means of frauds, and overcharges in the public accounts, and by extortions and exactions from the inhabitants of the province. Some of his embezzlements were traced in the treasury accounts, whilst others were detected on investigation of the district accounts,

and the examination of district servants; which accounts for the distinction observed in the preceding table.

The tank repairs were formerly conducted, and paid for, by the Tehsildars of the districts in which the repairs were made. Cass Chitty got the system altered, and the whole business transferred to a creature of his own, Sarungapani Pilla, entitled superintendant of repairs. The repairs to Pagodas, Cutcheries, and Choultries,\* were classed under this head. Pilla had a separate department in the collector's own Cutchery. His accounts, however, were never left there at night; but carried to his own house, where two sets were prepared; one containing the expence actually incurred; the other, fabricated for public use. The overcharge on this account, as collected from the treasury, and district, accounts, amounted, as per Table, to 86,903 : 44 : 34, of which Pags. 46,494 : 19 : 79. passed through the treasury accounts.

In 1810-11 Malabar was supplied with tobacco from Coimbetoor, by a contract at the rate of 9 Pags. per Candy of 680 lb. In the last-mentioned year, however, it was deemed preferable that the collector should purchase

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\* Pagodas—religious temples. Cutcheries—public offices for the dispatch of business. Choultries—public buildings erected on the high roads for the accommodation of travellers.

the tobacco directly from the Ryots ; and the Revenue Board accordingly ordered that the Ryots should be paid for their produce at the following rates, viz.

First sort, Pagodas  $7\frac{1}{2}$  to 8

Second do.  $6\frac{1}{2}$  to 7

Third do.  $5\frac{1}{2}$  to 6

Fourth do. 3

This arrangement required a separate set of public servants to purchase, sort, and warehouse the tobacco, and to deliver it to the persons in Malabar appointed to receive it, as well as to the licensed dealers for home consumption ; and Cass Chitty accordingly contrived to get another creature of his own, Sita Ram Sing, appointed superintendant of the tobacco department.

The tobacco was usually delivered by the Ryots, to the servants of the superintendant, in bundles of a certain size ; and the Tehsildars, and Curnums, of districts were ordered to attend the delivery, noting the quantity, or number of bundles ; and also to be present at the payments made to the Ryots ; and this was thought to be a complete check against fraud, or oppression. But Sita Ram was not so easily diverted from his purpose. When the tobacco was received, his own sorters stored it ; and then, at their own discretion, and without the Ryot-owners being present,



classed it into first, second, third, and fourth sorts; taking care to place each parcel in a lower class than where it ought to be. The Ryot thus received—say three, or five, Pagodas per candy, for what he ought to have got seven or eight Pagodas; the higher price being at the same time charged to Government in the public accounts by Cass Chitty. Sometimes it was declared by the sorters “ unfit for use, and no compensation given “ to the Ryot,—yet this very tobacco was re- “ tailed afterwards (for home consumption) to “ the owner and his neighbours at 50 Rupees “ per Candy.” The sorters exercised a similar discretion in respect to the weight of tobacco, in which it was computed that the Ryot was, on an average, defrauded of from 5 to 20 per cent of the real quantity; which was then set apart, and ultimately sold, for Cass Chitty’s benefit.\* After these operations, “ the Ryot was sent for, and told that his tobacco weighed so much, and belonged to “ such and such sorts, and the regulated price “ was then paid him. *He knew very well that “ his tobacco had been underweighed, and under-*

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\* One of the witnesses examined on this point states, that “ in three years, more than 1000 candies of tobacco were “ gained in weight.”

*“ rated, in the sorting, but he could not help himself; he could not afford to lose time in a fruitless contest for a higher price, which he knew would have no other effect than to provoke the sorter to throw his tobacco into a still lower class next season.”* It may be added that Sita Ram prohibited his servants from allowing the Curnums to take an account of the weight of the tobacco, or to interfere effectually in any other respect. Both they, and the Tehsildars, therefore, gradually neglected the ceremony of merely seeing the tobacco delivered, weighed, or paid for; so that the proceedings of Cass Chitty, and Sita Ram, were in fact perfectly uncontrolled.\*

In the neighbouring province of Madura, tobacco was reported to be higher priced than in Coimbetoor: Cass Chitty availed himself of this circumstance to make the collector believe that the produce of Coimbetoor would fall short, and be inadequate to the supply of Malabar; wherefore he had contracted for the supply of 2400 Candies of Madura tobacco at  $15\frac{1}{2}$  Pagodas per Candy. A creature of Sita

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\* We have here a proof of the fallacy of supposing Curnums to be, or ever to have been, a check, as is often pretended, on the acts of the superior revenue officers. Several other instances of the same kind might be quoted from these proceedings.

Ram's, Mayenna Chitty, was put forward as the pretended Contractor, and made to subscribe, as such, nine different receipts for money, on account of tobacco delivered, which he declares he neither supplied, nor ever paid for. The contracts were altogether fictitious. Only 554 Candies were imported from Madura, and these were delivered at  $7\frac{1}{2}$ , instead of  $15\frac{1}{2}$ , Pagodas per Candy. For the remaining 1846 Candies, Coimbeoor tobacco was substituted, of which there was no real deficiency and only paid for to the Ryots at from three to six Pagodas per Candy, together with what remained in Cass Chitty's private store from the produce of false weighing.

Another source of profit arose from the charges for conveying tobacco to Malabar, the actual average charge under this head in the private accounts being, Pagodas 21 : 42 : 14 : whilst it has since been contracted for at Pagodas, 12 : 22 : 40 per Candy.

To these iniquitous frauds, Cass Chitty added, in the public accounts, an overcharge for servants, some of whom were never entertained, and others not fully paid; likewise an overcharge for building storehouses; making the amount of his embezzlements in five years, under this head, Pagodas 143,913 : 13 : 62, as

above stated. And all this to realize a revenue of from 44,000 to 76,928 Pagodas (17,600 to 30,771*l.*) in Malabar, and not exceeding 3000 Pagodas (1,200*l.*) in Coimbetoor.

As an instance of the meddling interference of monopolists every where, the Ryots were restricted, under this monopoly, from cultivating a smaller quantity than ten maunds, to the great injury of those who, before, were enabled to discharge part of their revenue by the help of a small tobacco plantation of perhaps one or two maunds. From the produce of their own cultivation, they often reserved a little for their own use; “but whether they did so or not, they were harassed with constant visits from the revenue servants, and frequently obliged to buy tobacco, which they did not want, in order to escape the charge of smuggling.”

The next item is extra collections, Pagodas 300,156 : 1 : 15, of which 31,343 : 8 : 35 had been remitted to Cass Chitty at the treasury; and the remainder, or the greater part thereof, disbursed by his order, in the districts, to the agents who conducted his commercial speculations and private concerns; and, therefore, only to be traced in the district accounts. This sum is said to have been made up of the following items, which will require a few explanatory remarks, viz.



	S. PAGES. P. C.		
No. 1. Nuzzerana .....	83,590	3	34
2. Extra Collections for various purposes			
from the Ryots .....	62,633	39	27
3. Ditto,                      for village expences.	19,694	43	74
4. Collections for tank repairs not dis-			
bursed .....	1,829	9	4
5. Ditto, for provisions for Cutchery ser-			
vants .....	1,386	37	12
6. Ditto, for Tuccavy * not received by the			
Ryots .....	2,212	1	0
7. Value of sheep and grain delivered by			
Ryots — not paid .....	3,877	36	6
8. Bribes to Tehsildars for concealing rents			
of land, &c. ....	2,483	18	30
9. Collections of land rent and taxes con-			
cealed .....	47,289	29	68
10. Gain on the exchange of coins collected			
from the revenue .....	924	7	14
11. Produce of unclaimed cattle sold....	11	32	12
12. Profit of the village renters under the			
triennial and decennial leases.....	16,271	15	21
13. Borrowed by the renters to pay rents			
and extra demand .....	23,347	15	55
14. Cash taken out of the collections by			
the Tehsildars .....	22,941	14	37
15. Produce of tax on grass lands con-			
cealed .....	11,652	13	21
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Total — Pagodas	300,156	1	15

No. 1. Nuzzerana means literally a present, or contribution from an inferior to a superior.

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\* Money advanced to assist Ryots in their cultivation.

The term is commonly used to express fees, or presents, on appointments or succession to public offices, inheritances, &c.; extra contributions from tributaries; and contributions levied on a whole country in the name of the sovereign on particular state occasions, or pressing emergencies.

At this time (1811—12) the influence of Cass Chitty was paramount; he had acquired the confidence of the collector so completely, that the entire management of the revenue, and the appointment, and removal, of native servants were left to him. On the occasion of settling the decennial village lease, mentioned in *Vol. I. p. 514 et seq.* Cass Chitty thought it a good opportunity to exact a Nuzzerana; and measures were accordingly taken with the subordinate district servants, who were now completely obedient to his will. Under the preceding triennial lease (*Vol. I. p. 504 et seq.*) some of the renters had gained, but the great majority were considerable losers by their farms. To reconcile these parties to the Nuzzerana, he caused the aggregate revenue of the province to be reduced for the decennial lease; by which both parties were benefited; the former losers expecting to gain something by the reduction; and the former gainers, to gain more. Promises of advan-

tage were also made to the Potails of most influence in the country for their co-operation and aid ; and, thus supported, the project seemed for a time to roll on in a smooth current of undisturbed success.

But, in the midst of these golden schemes, comes an order from the Revenue Board at Madras, to stop altogether the decennial lease. This threatened to be a fatal blow to Cass Chitty's Nuzzerana, and likewise to the influence which he had established with the men of greatest local consideration and weight in the districts and villages. The inventive genius of Cass Chitty was not, however, easily foiled. With the aid of the Serishtadar (accountant and principal native officer of the Cutchery), he made out, in three to four days, a list of 604 villages, for which a decennial Jumma was pretended to have been already settled ; and laying this before the collector, who forwarded it to Madras, the Revenue Board concluded, from these representations, that the faith of government had been so far pledged to the arrangement, as to leave them no alternative but to sanction the settlement in Coimbetoor. The collection of the Nuzzerana, therefore, went on cheerily ; as well as the distribution of rewards and privileges to the principal co-operators, although the set-

tlement itself had not even a commencement till six months afterwards. “The interval  
 “was spent by Cass Chitty in determining  
 “which villages he should reserve to himself,  
 “and those who most zealously promoted his  
 “designs; and in settling privately who were  
 “to be the future renters of villages, accord-  
 “ing to the sums they had already respec-  
 “tively paid, or were likely to pay him. The  
 “whole lease was a system of fraud and irre-  
 “gularity. Many villages were too highly  
 “assessed; and those which were otherwise,  
 “paid for the moderation they experienced.”

Along with the Nuzzerana, Cass Chitty levied another private assessment, called Monyim or office tax, from the Potails of villages:—“This Monyim or official tax was  
 “levied under different pretences; the gene-  
 “ral one was the confirmation of Potails in  
 “their official situations. By some Potails it  
 “was paid to prevent the rent from being  
 “raised; by others to get it lowered; by some  
 “because they had enjoyed the triennial  
 “lease on favorable terms; by some to get  
 “the management of villages which did not  
 “belong to them; and by many to secure  
 “themselves from being removed to make  
 “room for strangers.”

No. 2. This head was made up of arbitrary



assessments levied on the Ryots—in some cases according to their supposed circumstances—in others at a fixed rate for each Beegah of land—in others, exactions on various pleas, beyond the amount inserted in Ryots' Pottahs—and in others, to enable the poorer Potails to make good the money they had agreed to pay, for being continued in office by Cass Chitty.

No. 3. The Commissioners admit that the expence of village festivals is usually borne by the village inhabitants; “but the sum in this instance is at least three times as much as it ought to have been.”

No. 4. Speaks for itself. This extra charge has been already fully explained.

No. 5. Is the price of provisions taken by the Cutchery servants from the shopkeepers and others, who were reimbursed by assessment on the country.

No. 6. Is a collection from the Ryots to replace Tuccavy, which had been embezzled.

Nos. 7 & 8. Speak for themselves.

No. 9. Consists of sums deducted by Tehsildars from revenue actually agreed for by Ryots, and applied to their own, or Cass Chitty's, use.

Nos. 10 & 11. Require no remarks.

No. 12. Is rather doubtfully mentioned by

the Commissioners. It seems to have been an application, in the first instance, of the renters' profits to make good the Nuzzerana, and other extra assessments; but whether ultimately replaced by extra levies from the Ryots is not distinctly stated.

No. 13. This is money borrowed by different heads of villages to pay the private demands of Cass Chitty and his agents; the chief part, if not the whole, of which was realized by assessments on the Ryots.

No. 14. Consists of sums taken by the Tehsildars out of the revenue.

“ When the Potal or Curnum brought the  
 “ Kist (instalment) of his village to the Teh-  
 “ sildar, a fourth, a third, or a half, according  
 “ to the occasion, was set apart by the Teh-  
 “ sildar, and a receipt given for the remain-  
 “ der to the Potal, who was left to make  
 “ good the deficiency by an extra assessment,  
 “ or, if that proved ineffectual, to report it as  
 “ a balance due by poor Ryots.”

No. 15. Explains itself.

All these items were taken from, or confirmed by, the Curnum's accounts. The only one, on which the Commissioners entertained a doubt, was No. 12; but whether this was, or was not, an extra levy from the Ryots is of little consequence in the general mass; for the

preceding extra collections were by no means the whole. The Commissioners had ample grounds to conclude that the Curnums were not backward in helping themselves. From 60 to 80 thousand Pagodas are stated to have been collected, of which the Curnums gave no account; and which they are, therefore, supposed to have appropriated. In six villages, where the cries of the inhabitants obliged the Commissioners to institute enquiry, it was ascertained that whilst the Curnum's accounts only exhibited an extra collection of - Pags. 1456 There were exacted from the inhabitants, 4630

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Difference, or supposed embezzlements }  
 by Curnums, in six villages only, } 3174  
 or £1269

But this was not all; for the Commissioners farther inform us, that as Cass Chitty “countenanced the exactions of the Aumildars, because he partook of them himself, “so both they and the Potails collected more “than he knew of; the disorder and rapacity “of which he had given the example descended through every gradation to the lowest revenue servant.” \*

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\* If the exactions and embezzlements of Cass Chitty be compared with the list of Mussulman imposts, contained in the *note p. 27 to 34*, it will be seen that although names may have

Some of Cass Chitty's embezzlements arose from no less than 96 villages, which he had contrived to appropriate to himself—that is—he was the real renter of these villages, which he caused to be held in the names of some of his own minions. They were unequally assessed to the revenue from motives of policy ; but, on the whole, greatly under-assessed, compared with other spots. His profit from them was, therefore, great. But the Board of Revenue having sanctioned an aggregate sum, as the Jumma of the whole province, it became necessary that the abatement in Cass Chitty's favoured villages should be made good by an over assessment in others ; and the consequences were very injurious ; it in fact rendered the realization of the whole Jumma impracticable.\*

But Cass Chitty regarded these villages more as a merchant, than as a landholder. In

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changed, and the most vexatious of the Mussulman taxes, &c. have been nominally abolished under the British government, still that the practical operation of the system continues to be much the same.

\* It is even stated that the total loss by decrease and balances of revenue from 1806—7 to 1814—15, nearly equalled the amount of extra collections and embezzlements made during the same period by Cass Chitty.



some the rents were paid in kind. Of this produce the greater part was distributed to public servants, such as tank diggers, bullock drivers, &c., in lieu of wages; and charged as such in the public accounts, but at rates varying from 50 to 100 per cent. above the village prices.

It may be added, of these embezzlements, that they were conducted with a degree of method, system, and ingenuity, plainly indicative of superior talent, but lamentably sullied with the grossest corruption. Or, if the case admits of palliation, it is to be found in the reflection, that though talent, when wanting in moral worth, only serves to give eclat to infamy, still it may be too much to expect from native Indians, the virtue to resist temptations, where numbers, even among those who pride themselves on greater refinement and higher notions of honor, would be found equally wanting.

The next item of embezzlement in the table is Sandal wood, Pagodas 54,696: 28: 33. This was a monopoly in the hands of Cass Chitty, and managed as follows. There was a nominal contractor put forward, Mannar Kistnah Chitty, but in reality a servant of Cass Chitty, on a monthly pay of 8 Pagodas. The ar-

rangement with the contractor was, that he was to cut the Sandal wood in the jungles ; to deliver to Government all the pieces of the first sort corresponding with an appointed sample ; and to retain for his own use inferior pieces to cover charges and profit ; besides which, he was allowed  $2\frac{1}{4}$  Pagodas per Candy, for transporting the Sandal wood from the depôt villages to the town of Bhowani. The rejected Sandal wood was sent to other store-houses, whence it was issued, and disposed of on Cass Chitty's account. In this arrangement there was no precaution of any kind taken against fraud. The contractor, and rejector, being in fact the same person, it may well be conceived that the rejected pieces were often as good, sometimes better, and always, from their superior number, more valuable than those given to Government.

The last item in the preceding table is, Pagodas 8199 : 12 : 9, and is made up of embezzlements in the price of sheep and grain supplied to the commissariat and in the pay of servants ; of overcharges for paper, cotton, &c. ; the hire of bullocks ; embezzled profit on the exchange of certain coins received as revenue ; and of overcharges in the hire of carts for carrying the Cutchery baggage.

The aggregate of the preceding embezzlements, being 593,869 Pagodas, is what the Commissioners conceive to have been substantiated by their inquiry against Cass Chitty; but they add their persuasion that the full extent of these frauds had not been detected, and that they would be increased by further investigation, particularly in the tobacco department. From the public accounts, however, it is, as the Commissioners observe, plainly enough proved that Cass Chitty, as the principal director of these malversations, appropriated to himself no less than Pagodas 330,320; the remainder being distributed, probably as hush money, among the revenue, judicial, and native police officers of the province.

But independent of these exactions and embezzlements, Cass Chitty employed all the influence of his office (compelling the Tehsildars and public servants to officiate as his agents) to trade in, and to monopolize when he could, all the chief products of the country. His dealings in Ghee (a necessary of life to native Indians) most excited general discontent. He not only endeavoured to get as much of the commodity as possible into his own hands, but interrupted the trade of other merchants. In August, 1812, he per-

suaded the collector to issue an order to prevent any person, who had not taken out a Pottah for the professional or house tax, called Sournadayum, from trading at all. In September following it was declared, that it was not intended to restrain trade, which might be carried on whenever Pottahs were received. By raising difficulties in the grant of Pottahs, and stopping goods at the custom house stations, Cass Chitty compelled the dealers to give up to him a part of their trade for the sake of retaining the rest.

His plans were greatly favored by a change in the tariff. From a previous duty on Ghee of Pagodas 68 : 30 per hundred Marcals\*, it was raised in October, 1812, to 250 Pagodas ; the usual or natural price of the article being about 100 Pagodas ; (another specimen of the rate of Indian taxation !) but Cass Chitty purchasing from the dealers at a low compulsory price, and, from his influence in the district, evading in a great degree the payment of customs, this article became also so far a monopoly in his hands, and productive of vast profit. By a series of vexations and prohibitions, in which the Tehsildars were compelled

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\* *Marcals* — An Indian measure containing 8 Puddies, 1 Puddie being equal to 1.62 English quarts ; hence 43 Marcals=15 English bushels.



to co-operate, he secured to himself about one half of the Ghee trade of the country, at rates from one fourth to one third lower than the market price. The dealers were moreover only permitted to carry on the remainder, on condition of paying to Cass Chitty,  $1\frac{1}{4}$  Fanam for every bullock load delivered to himself. Half a fanam of this tax was to defray the expence of a silver bull, which Cass Chitty meant to present to the Trinomala Pagoda; the other three quarters to pay the charges of three Choultries\* which he had ordered to be erected; thus hoping, it is presumed, as many hypocrites in the West have also done, to expiate his crimes by sanctimonious donations, and the endowment of public charities.

Cotton was another article which Cass Chitty endeavoured to monopolize. Government had ordered 1500 Candies to be provided annually, for five years, for the Company's investment to China. Agents were accordingly appointed in the districts—the creatures of course of Cass Chitty—and advances made of 11657 Pagodas (4,662*l.*) to aid the Ryots in

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\* Buildings on the public roads, erected sometimes by government, and sometimes by private charity, for the accommodation, gratis, of travellers.

cultivation. This plan, however, failed ; the Ryots objecting to it, in consequence of their being prohibited to sell their cotton without leave ; and foreseeing that it would be extorted from them, by Cass Chitty's agents, at a price below its market value. Of the advance intended for the Ryots, a large portion was retained by Cass Chitty, with which he prosecuted the concern for his own benefit, after it had been abandoned on public account ; and still continued to employ the public servants, as if it were carried on for the benefit of the Company.

Cass Chitty had two Indigo works for which the plant was supplied by the public servants. The Tehsildars advanced seed to the Ryots. If the crop succeeded, the produce was sent to the Indigo work, and the Ryot was paid "*what was deemed sufficient.*" If the crop failed, Cass Chitty received the value of the seed ; and the revenue from this land was discharged by an extra assessment on the village, or left as a balance outstanding.

Cass Chitty also caught, and sold, elephants. The pits for catching these animals were dug by the inhabitants without being paid for their labour ; and they were often obliged to feed the elephants at their own expence.

He likewise procured from Malabar a large quantity of salt on a pretended contract, which was supposed to be on account of Government, but sold in Coimbetoor for his own benefit.

His private trade in short extended to every article of produce in the country, supported by official influence, the aid of public money, and the agency of Tehsildars and others to extort goods from the inhabitants below their real value. In the accounts for example of one of Cass Chitty's agents, Vencatamaniah, a purchase from the Ryots of oil-seed, grain and Dhall (dried pease) is debited with 4589½ Rupees, when the market price was 9179 Rupees. The trade of his other agents was conducted on the same principle; and the commissioners sum it up with the following remark. "Every  
 " appointment and removal was through Cass  
 " Chitty; he received money from every  
 " public servant, and peculated from every  
 " possible source, he traded in every thing  
 " where profit could be got, by employing authority, and abusing confidence; *he regarded*  
 " *the country as his shop, and its produce as*  
 " *destined for the benefit of his trade.* This  
 " trade was carried on with the public money,  
 " through the agency of public servants.

“ He was not satisfied with using the public  
 “ servants merely to aid his own trade, but  
 “ employed them to stop the trade of others ;  
 “ he was himself the principal contractor and  
 “ dealer, under various names, in every ar-  
 “ ticle; and he has not done more mischief  
 “ by his own speculations, than by instigating  
 “ those of every revenue servant in the coun-  
 “ try, far beyond what they even thought of,  
 “ and by rendering universal the practice of  
 “ concealing and falsifying accounts.

The Commissioners enter into some de-  
 tails to prove that the Public Revenue was  
 seriously affected by these exactions, as  
 might indeed be naturally expected. They  
 had also reason to be satisfied, although their  
 enquiry did not extend to the custom depart-  
 ment, that abuses prevailed there to as great  
 a degree as in other branches of revenue. To  
 avoid detection Cass Chitty, had taken the  
 precaution of frequently removing the servants  
 appointed to the different custom-house sta-  
 tions, and of destroying or concealing their  
 accounts. A near connexion of his own had  
 been suffered to remain in Coliagal, from Sep.  
 1813, to Sep. 1815. He then absconded with  
 his accounts, but had previously embezzled  
 the following sums.



	PAGS.	F.	C.
“ Customs of bazars and villages privately “ rented .....	512	3	34
“ Taxes on Betel gardens, collected 288 Pa- “ godas, embezzled.....	204	0	0
“ From customs on cloth, by concealing the “ produce of all the finer sorts .....	719	31	0
“ Taxes on the looms of Pariars not entered in “ the accounts.....	857	6	34
“ Duty on 100 bullock-loads of Cass Chitty’s “ Ghee remitted .....	100	0	0
“ Receipts from the private renters of seven bye “ roads.....	411	19	18
“ Extra collections at the Talwadee Chokie, at “ the rate of $\frac{3}{4}$ of a Rupee on each bullock- “ load of Ghee; and 1 Rupee on each “ bullock- load of cloth.....	1714	12	68
“ Extra collections on account of Cass Chitty’s “ silver bull.....	463	10	34
“ Bribe from the oil dealers for remitting the “ tax on oil seed.....	37	35	65
“ Pagodas	5019	29	13
	or £2007”		

The Commissioners add their belief that frauds to a like extent existed in all the Chokies (custom-house stations) throughout the collectorate; and conclude their report with pertinent remarks on the unprotected state of the Ryots, and the insufficiency of our Courts of Justice to redress grievances; whence they conclude “ *that the same abuses must prevail,*

*“ to a greater or less extent in every province  
 “ under this government.”\**

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\* Of these abuses it is fair to add that the Revenue Board at Madras, in a minute on the Commissioners' Report in December, 1827, or 22 months after the date of the other document, objected to sundry parts of the evidence, as being defective; not that they doubted the main fact of fraud, exaction, and embezzlement having been carried to a great extent, but questioning some of the commissioners' conclusions, and apprehending that the specific sums charged against Cass Chitty and his minions, from the mutilated and defective state of the accounts, were not supported by such proofs as would be deemed conclusive evidence in a court of justice. Their closing remark on this head is rather curious. “ The Board  
 “ are quite disposed to admit, that the inquiry as conducted by  
 “ the Commissioners, and the evidence obtained by them *would*  
 “ *in former times have been considered sufficient to warrant*  
 “ *the recovery, from the servants and others, of the sums*  
 “ *made out against them by an examination of district ac-*  
 “ *counts.\** But since courts of justice have been established,  
 “ all classes of persons, including revenue servants, are placed  
 “ under their protection, and to compel a refund of money  
 “ without legal evidence of its receipt, or evidence that public  
 “ money had been misappropriated, would involve the govern-  
 “ ment in vexatious law-suits, and serious responsibility. It  
 “ is in this point in particular that the Board are of opinion,  
 “ that the proceedings of the Commissioners are defective and  
 “ inconclusive. *They furnish no doubt abundant revenue*

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\* “ See Proceedings of the Tanjore Committee of Inquiry,  
 “ dated 31st of July, 1804, in which nearly a lac of Pagodas  
 “ was recovered by the Collector without a judicial process;  
 “ but such a course of proceeding could not now be sanc-  
 “ tioned.” These proceedings are noticed in the Author's  
 former publication. Vide Speeches, Appendix.

## SECTION V.

Inefficiency of the Revenue and Judicial Regulations to protect the Ryots.

Judicial powers vested in Revenue Officers for the more effectual detection and punishment of abuses. Effects of this change, and of the System generally, as far as can be traced from printed Official Records.

When the report of the Coimbetoor commissioners was communicated to the Court of Directors, it drew from them the following remarks, dated 22d May, 1818, to which the reader's attention is particularly requested, since he will here find unequivocal proof that the case of Cass Chitty, far from being singular or isolated, is but a sample of the criminality common to every other province of the empire; and for which no other cause is pretended to be assigned than the insufficiency

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*“evidence of fraud, embezzlement, and corruption; but on the subject of the amount of the frauds, the Report of the Commissioners does not contain satisfactory information.”* These objections were afterwards (March, 1819) fully answered by the Collector of Coimbetoor, Mr. Sullivan, who had been a member of the Commission, and further explanations given. The Court of Directors, in reviewing these proceedings in 1821, animadverted in strong terms on the conduct of the Board of Revenue, disapproving of their objections and confirming the Report of the Commissioners. We may also presume that the explanations given by the Collector, were ultimately satisfactory to the Board of Revenue, since in a subsequent minute of theirs in November, 1820, they admit the case of Cass Chitty to have been “clearly established;” and, that, of his exactions and embezzlements, “nobody now doubts.”

of our laws — in other words, *the principles, and operation, of our financial and judicial system.*

“ We cannot defer calling your particular  
 “ attention to the sentiments contained in  
 “ paragraphs 124 to 136 of the valuable and  
 “ important report of the Commissioners, re-  
 “ specting the inefficiency of your present  
 “ regulations for the prevention and detection  
 “ of abuses, and for the protection of our na-  
 “ tive subjects. This position, unfortunately,  
 “ does not rest exclusively upon the scenes  
 “ of fraud, corruption, and oppression which  
 “ are exhibited in the report of the Coimbetoor  
 “ commissioners. We have recently had  
 “ under our review in the judicial department  
 “ the flagrant acts of extortion which have  
 “ been perpetrated by the servants of the  
 “ Zillah Court in the district of Canara; and  
 “ the following extract from the letter which  
 “ was addressed to you by the Board of Re-  
 “ venue on the 11th of December, 1815, clearly  
 “ shews that *the evil has not been confined to*  
 “ *one or two provinces, but that it is extensively*  
 “ *prevalent throughout the territories subject*  
 “ *to your government.* ‘ It has of late too  
 “ ‘ frequently been our unpleasant duty to  
 “ ‘ bring to the notice of the Right Hon. the  
 “ ‘ Governor in Council, numerous instances  
 “ ‘ of extortion, embezzlement, repeated mal-



“ ‘versations, and fraudulent combinations on  
 “ ‘the part of the native servants employed  
 “ ‘in the administration of the various branches  
 “ ‘of the Revenue entrusted to our manage-  
 “ ‘ment ; and it is with deep regret we con-  
 “ ‘fess that *there are not many districts under*  
 “ ‘*the presidency of Fort St. George, which*  
 “ ‘*have not, within these few years past, afford-*  
 “ ‘*ed the most lamentable proofs of the preva-*  
 “ ‘*lence of abuses in this department of our*  
 “ ‘*native agency.* The late bold and exten-  
 “ ‘sive embezzlements in the provinces of  
 “ ‘Coimbetoor and Malabar, the considerable  
 “ ‘frauds in the cash chests at Malabar, Ma-  
 “ ‘sulipatam, and Guntoor, the general and  
 “ ‘organized system of corruption in the  
 “ ‘southern division of Arcot, the abuses at  
 “ ‘Nelloor and Guntoor in the salt depart-  
 “ ‘ment, and at Coimbetoor and Cuddapah  
 “ ‘in the customs, and the corrupt practices  
 “ ‘of two successive head native servants in  
 “ ‘the Jaghire, not to enumerate the many  
 “ ‘inferior abuses which are daily brought to  
 “ ‘our notice, too amply prove that extensive  
 “ ‘abuses are practiced by the native servants  
 “ ‘in every branch of the Revenue depart-  
 “ ‘ment, and that the arrangements at present  
 “ ‘in force are totally inefficient for the pre-  
 “ ‘vention and punishment of these grave

“ ‘offences, no less prejudicial in their consequences to the revenues of the state, than productive of the most serious injury to the morals of the people.’ ”\*

These are very important considerations, viewed as universal effects of obvious and avowed causes ; but unfortunately the general prevalence of these enormities is not the whole evil. It is also clearly established, in the same official records, that redress to the inhabitants who suffer from these cruel exactions, is from the same cause — the utter inefficiency of our system — absolutely impracticable. In an able minute by the Madras Board of Revenue, Nov. 27, 1820, on the subject of protection to the Ryots generally, the following further testimony is borne, not only to the magnitude of the mischief, but to the entire hopelessness with which the suffering inhabitants are destined to endure it.

“ The result of recent inquiries, particularly in Coimbetoor, Rajahmundry, and Salem, shows that cases of exaction and embezzlement ought to be tried on the spot immediately, by a summary process before a com-

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\* For the proceedings at length in the case of Cass Chitty, vide *Mad. Rev. Sel. Vol. I.* pages 712—810.

“petent authority, and that the amount of  
 “the exaction and embezzlement ought to  
 “be recovered immediately as far as may be  
 “practicable, and repaid to the injured par-  
 “ties. The regular courts cannot decide on  
 “such cases to the satisfaction and security  
 “of the people, or of the government, as the  
 “inquiry involves an examination of intricate  
 “revenue accounts, which the servants of the  
 “court cannot be supposed to be acquainted  
 “with. Too many persons are concerned as  
 “witnesses, or suffer in such cases. Their  
 “residence is at such a distance from the  
 “seats of the courts, and the lapse of time  
 “before the courts can examine them is so  
 “great, that much inconvenience is generally  
 “felt in attempting to substantiate such cases  
 “in the courts in the ordinary way. Many  
 “of the parties or witnesses die before the  
 “Court can examine them ; some of the most  
 “important are bought off, or induced to  
 “soften or retract their evidence or accusa-  
 “tions. It appeared that at least 600 wit-  
 “nesses would be necessary to establish the  
 “matters to be proved in the suits instituted  
 “by Causey Chitty against the government  
 “in the Trichinopoly Court. The case had  
 “been, in fact, clearly established before the  
 “special Commission in 1815 ; and besides

“ the great inconvenience and expense of  
 “ sending half the country again to testify  
 “ before the courts what they had already  
 “ stated before the Commission, many died  
 “ before they could be examined, and many  
 “ more must die before their evidence be  
 “ taken, according to the formal procedure of  
 “ the Courts, in the causes in which Causey  
 “ Chitty is concerned, and in consequence  
 “ from want of evidence the causes may be  
 “ lost. Many have not yet been examined  
 “ for want of time or other cause. There is  
 “ no calculating when these causes may be  
 “ settled. They have been removed into the  
 “ Supreme Court. How the Supreme Court  
 “ can investigate such matters, even suppos-  
 “ ing they were not revenue cases, in which  
 “ they have no jurisdiction, it is difficult to  
 “ imagine. They can only be properly in-  
 “ vestigated, indeed, by persons intimately  
 “ conversant with revenue affairs. At all  
 “ events, justice has not been done, because  
 “ if Causey Chitty did not exact and em-  
 “ bezzle the money he was said to do, his  
 “ property has been sold, his person con-  
 “ fined, and he has suffered a good deal of  
 “ inconvenience and expense without getting  
 “ any redress. If, on the other hand, he did,  
 “ as nobody now doubts, make those great



“ exactions and embezzlements, neither the  
 “ government nor the Ryots have yet got any  
 “ satisfaction, even to that extent to which  
 “ they ought and might have got it under a  
 “ prompt and effectual system ; and, what is  
 “ worst of all, other public servants have seen  
 “ that there is no prompt power even to re-  
 “ cover the amount of exactions and em-  
 “ bezzlements, much less to punish them, as  
 “ all natives think they ought to be punished.  
 “ In the case of exaction, the money should  
 “ be restored on the spot to the persons from  
 “ whom it was taken, or at all events those  
 “ who exacted it ought to be immediately pu-  
 “ nished ; if this is not done, the Ryots will  
 “ not be satisfied with our justice. In Causey  
 “ Chitty’s case it seems useless, or rather  
 “ giving unnecessary trouble, to oblige hun-  
 “ dreds of men of business and farmers to  
 “ attend a distant court, to give evidence in a  
 “ case which is not likely to be settled for  
 “ many years, when the individuals who were  
 “ injured shall be dead, and the subject for-  
 “ gotten, so that even supposing the claims  
 “ of the Government against Causey Chitty  
 “ be at least fully admitted, no benefit can  
 “ result either to the injured individuals, or  
 “ to the Government, in the way of example  
 “ to other public servants. Life, and every

“ thing else, in India, are so uncertain, that  
 “ the advantage of prompt justice has become  
 “ proverbial. Causey Chitty and his friends  
 “ plundered the Government and the Ryots,  
 “ according to the belief and judgment of  
 “ those who have had the best opportunities  
 “ of looking into these cases, of six lacs of  
 “ Pagodas. The Government committed him  
 “ to jail, and sequestered and sold the property,  
 “ and have recovered nearly 30,000 Pagodas  
 “ (12,000*l.*); but he has prosecuted the Govern-  
 “ ment for damages, has put them to a great  
 “ expense, and has got released from confine-  
 “ ment, without having given sufficient secu-  
 “ rity; and from the death of witnesses, the  
 “ negligence with which Government suits  
 “ are usually managed, and the uncertainty  
 “ of the law, may possibly gain his suits, at  
 “ least in the lower courts. It is impossible  
 “ that with such an example before them, the  
 “ Ryots or the native servants can respect the  
 “ Government, or its regulations, or conduct.  
 “ It is true, it may be said, that if Mr. Gar-  
 “ row had not neglected his duty, these ex-  
 “ tortions and embezzlements could not have  
 “ been carried so far. There can be no doubt,  
 “ that we must principally look to the civilians  
 “ in charge of the general government of pro-  
 “ vinces for the protection of the Ryots, and

“ the security of the revenue ; but it seems  
 “ also necessary to establish a proper system  
 “ consistent with the business and extent of  
 “ the country, the nature of the people, and  
 “ our own situation in India.

“ Neither the Government nor the Ryots,  
 “ have yet got any adequate satisfaction for  
 “ the exactions and embezzlements of Causey  
 “ Chitty in Coimbetoor ; and with respect to  
 “ those lately reported on at Salem, of which  
 “ no doubts can be entertained, and which  
 “ seem to have been carried on for a longer  
 “ period, to a greater extent, and with more  
 “ injury to the people, though from circum-  
 “ stances they may not have been so large in  
 “ amount as those in Coimbetoor, *there does*  
 “ *not appear to be any way of recovering any*  
 “ *part of the public money, or of redressing the*  
 “ *injury done to the people.* Those who have car-  
 “ ried on this system of exaction and embez-  
 “ zlement for years, will retire, and enjoy the  
 “ large fortunes they have made. Such im-  
 “ punity cannot but have had bad effects  
 “ on the native servants, and the people at  
 “ large.”\*

The effect produced on the people at large

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\* Mad. Rev. Sel. Vol. III. p. 560—562.

is indeed one of the most important parts of this question. It is not merely an injury to morals, or an encouragement to corrupt practices, that is here to be deplored. We should also look to the effects produced on the character of the people; to that despair of improvement; that hopelessness of common justice; and consequent universal apathy which long continued oppression and misery—uncontrouled power on the one hand, and poverty and ignorance on the other—never fail to superinduce in all countries: and which is well described in the words of the Coimbe-  
toor Commissioners' Report, of which Colonel (Sir Thomas) Monro himself is the presumed author.

“ It is well known, that the great body of  
 “ the Ryots will submit to extra assessments  
 “ as long as they can pay them, rather than  
 “ seek redress from the courts. There cannot  
 “ be a stronger proof in support of this obser-  
 “ vation, than the occurrences in Coimbetoor  
 “ for some years past, where, though at least  
 “ 30,000 Ryots have paid extra assessments,  
 “ and numbers have been compelled to part  
 “ with their sheep and cattle without com-  
 “ pensation, very few of all this number, pro-  
 “ bably not twenty, have ever sought redress  
 “ from the Zillah Court, though the judge is



“ acknowledged to be a most active and zealous public servant ; it is, therefore, impossible to resist the conclusion, that our institutions are inefficient, and that the same abuses, to a greater or less extent, must prevail in every province under this government.

“ The idea that these oppressions can be diminished by the courts, might have some foundation, if the state of society in Indian villages in any way resembled that which is found among the nations of Europe ; or if the Ryot would, like the farmer in England, resist any demand beyond his fair rent. But this is so far from being the character of the Ryot, that though he sometimes clamours, he seldom resists exaction, but goes on paying one extra tax after another, till he has nothing more to give. His submission is the effect of long habit, and arose at first from the authority exercised over him by the head of the village, and has more recently been confirmed by his perceiving how insignificant the power of the courts to protect him is, in comparison with that of the rentor, or revenue servant, to injure him.”\*

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\* Mad. Rev. Sel. Vol. I. p. 750—1.

The inquiring reader will, perhaps, excuse this lengthened reference to documentary evidence. When this work was first undertaken, it was under an impression that the new view intended to be given of the state and condition of Indian society, and the miseries and oppressions about to be detailed, would not be credited in this country on the bare assertion of any individual, however respectable ; and as proofs abounded in official records, it was thought best in every respect, and likely to be most satisfactory to readers to whom these subjects were new, to be at once assured, that the facts advanced are susceptible of the fullest confirmation. It will also be seen that the author's proofs are all drawn from the highest existing authorities ; and which leave, at the same time, no room to suspect either misstatement, or exaggeration. Having laboured to give a candid and faithful account of our Indian systems, in the anxious hope that good may be the result, prejudice, party zeal, or even misconception can hardly, one would think, be ascribed to a statement where those, who may be supposed to be adversaries in the present argument, thus bear ample testimony, as well to the universal prevalence of the evils it is here intended to describe, as to the fullest extent

of the injuries they are represented to inflict.

Here then we have a system obviously wanting in all the requisites to promote the purposes of good government—to promote those ends which the British Government have always professed their desire, and which alone it would be creditable to them, to establish in India. At present, neither person, nor property, can be said to be adequately protected; whilst every incitement to industry, or improvement, is deadened, or removed. In our anxiety to mend acknowledged evils, schemes are enforced prescribing, or encouraging, a meddling and ruinous interference, where all ought to be left free; and vesting uncontrolled power in the hands of those who are sure to abuse it.

But of all the evils to which the system gives rise, what more deplorable than the unprotected state of the Indian Ryot! If a revenue, intended to be 50 per cent of the gross produce of his labours, should leave him possessed of a surplus, it is grasped by the rapacious hand of some peculator in brief authority, for his own benefit; or if the peculation be detected, it affords a motive, sooner, or later, to the collector himself to recommend "*improvements*" of the revenue, since his credit

with the higher authorities is likely to be promoted by the increase. Poverty — hopeless, helpless poverty — with its usual concomitants, apathy and despair, is thus the unpitied, unredressed, lot of this most valuable and important race. Yet this is the system — these its principles, and this its operation — which uninformed persons in this country, and even some of the better informed abroad, are in the habit of holding up to admiration, as being peculiarly well suited to the natives of India. And because, under the pressure of such paralyzing evils, improvement becomes an absolute impossibility, we add, to the injuries inflicted, the injustice of stigmatizing the people with the character of incapables. To use the words of a departed Premier, on a memorable occasion, “This is really too bad.”

The notoriety of these abuses by native revenue servants induced the Revenue Board, in 1813, to prepare a regulation for their detection and punishment ; but owing to various delays it does not appear to have been promulgated. In November 1820, or seven years afterwards, this subject, “protection of the Ryots,” again attracted the attention of the Revenue Board. At this time they still declare it to be “unquestionable that the great “body of the Ryots is not in that state of



“ ease and security in which the justice and  
 “ policy of the British government mean to  
 “ to place them. In general the Ryots sub-  
 “ mit to oppressions, and pay what is de-  
 “ manded from them by any person in power,  
 “ rather than have recourse to the tedious,  
 “ expensive, and uncertain process of a law-  
 “ suit. The cases in which they are sufferers  
 “ are too numerous, various, intricate, and  
 “ technical; they and their witnesses are so  
 “ far from the seats of judicature: delays  
 “ are so ruinous to them; they are so poor,  
 “ so averse to forms, new institutions, and in-  
 “ tricate modes of procedure; they are so  
 “ timid and so simple a race, that it is neces-  
 “ sary for government to endeavour to protect  
 “ them by a summary and efficacious judicial  
 “ process; and it is evident that the officer  
 “ entrusted with the general government of  
 “ the province, as having the greatest and  
 “ most immediate interest in the welfare of  
 “ those under his government, and as the only  
 “ officer having a free and full intercourse  
 “ with them, should be vested with the duty of  
 “ conducting these summary proceedings.”\*

Many persons may think that the last rea-  
 son advanced by the Revenue Board is not

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\* Mad. Rev. Sel. Vol. III. p. 556.

remarkable for its wisdom, or altogether consistent with the soundest maxims of polity. Such, however, as it is, the principle was adopted. And as a remedy for the evils above described, and to guard the Ryots against their recurrence, it was proposed that the collector of a province should be vested with power to entertain, and decide, after summary process, on all revenue cases ; that is, on all cases, disputes, or complaints, connected with landed tenures, their occupancy or management ; the collection or assessment of revenue ; and all illegal exactions, embezzlements of revenue, concealment, destruction, or falsification of accounts, or other misdeeds, of public servants ; or to delegate authority for these purposes, in some instances, to his assistant ; in others, to the native officers acting under him ; and in others, to refer them to Panchayets. The collector, it was also proposed, should adjudge damages and costs ; impose fines and penalties ; in short, exercise the same powers, and in the same way, as before committed in cases of this description to the judicial courts. The award of a Panchayet to be final, but from the decision of a collector an appeal might be made to the proper judicial court, or to the Board of Revenue, in cases where the sums decreed should exceed 20 Rupees.

The proceedings and examinations before a collector to be verbal, or recorded, at his discretion. In cases of appeal, only, was a record specifically required : such record to be then kept in the native language, and in the same way as proceedings in the revenue Cutchery are usually kept ; and to be received as good evidence in the courts. For particular cases, where government might deem it necessary, a special commission to be appointed to enquire into exactions, embezzlements, or other malversations in the provinces. Such commission to be vested with the fullest judicial, revenue and executive powers ; their decision to be final, and immediately enforced.

It was also proposed to vest collectors with magisterial authority to apprehend offenders ; and likewise to give to Tehsildars, the power to try and punish petty thefts in a summary way, not exceeding two Rupees, and to Zemindars, and head inhabitants, not exceeding one Rupee.\* Collectors and their establishments were, before this, in the exercise of the duties and authority of the police. In 1822 Regulations V. VI. and IX. of that year were accordingly passed to consolidate these

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\* Mad. Rev. Sel. Vol. III. p. 556—565.

various powers in the revenue department of the service.

These powers have been adverted to before (*Vol. I. p. 527-8*); but the question here is, not whether the union of the powers of a judge, magistrate, police-officer, and tax-gatherer, in one and the same person, be, or be not, a judicious arrangement on general principles. The point to be ascertained is, whether the Ryots are likely to be benefited, or better protected than they were before. But the native servants, now vested with judicial authority, were the very persons who formerly practised extortion, and oppression, without it. If, then, the "simple and timid race" of Ryots were before averse to complaint, or dreaded its consequences, when independent tribunals were open and willing to receive their representations, is it likely they will be more prone to complain, or less fearful of its consequences, when the power of redressing their grievances is transferred to the hands of their oppressors? It is vain to lay stress on the sense of duty and integrity of the European collector. Good intentions are but feeble checks against the abuse of power, even with the best of men; but if collectors were unable to restrain the rapacity of their servants, when they were liable to be dragged for their misdeeds



before a court of justice, by what talisman are they to effect it, when extortion and judicial power are virtually committed to the same hands? With the judicial and police powers thus vested in Tehsildars, Zemindars, and heads of villages, how many oppressive acts may be committed under pretext of official duties, and which may never reach the ear of the most vigilant collector? But admitting collectors to be able and upright, as well as vigilant, are they more richly endowed in this respect than the judges, who are usually selected from among those most distinguished for talent on the civil list? Can a collector devote more, or as much attention, as a judge, to judicial investigations, when his time is, or ought to be, wholly occupied in revenue arrangements, in regulating assessments, and collecting the instalments of an intricate and oppressive Jumma? If Ryots, long habituated to oppression and exaction, submit in despair, dreading that vengeance which may follow complaint;—if their great distance from the seats of the Zillah courts, the loss of time, expense, delay, and even uncertainty of lawsuits, have hitherto proved a bar to complaints—are loss of time, delay, and expense, likely to be less because a collector, overloaded with other duties, is con-

verted into a judge? May not the collector's Cutchery be as far distant from the suffering Ryot as the Zillah court? And is not the uncertainty of an issue greatly encreased by an appeal to the revenue court? Whatever a collector's merits may be—however well disposed, or highly talented—his *chief* interest will not be, as supposed by the Revenue Board, “the welfare of those he governs;” but the realization, and increase, of the public revenue, as his surest road to preferment and fame. Under this impression, how easy is it for a crafty native extortioner, with local influence, artifice, and even false evidence at command, to mystify representations of abuse, —to persuade a collector of complaints being unfounded—of danger to the revenue from too ready an attention to complaint—or that complaint is only preferred to evade the payment of instalments overdue, or that arrears should be liquidated as a *sine quâ non* to its being received? In all these matters, the exercise of the collector's discretion is unrestrained. He is not bound to keep a record of his proceedings; and his decision, as we are informed by the Revenue Board, may be formed on much laxer evidence (*Vide p. 109*) than would be deemed conclusive in a court of justice. The obstructions, therefore, to the

main object in view—effectual protection to the Ryots—are thus multiplied instead of being diminished. In the hopelessness of redress, who would have the courage to complain? Oppression and exaction are borne as long as endurance is practicable; and the delusive tranquillity of submission and despair is thus but too often mistaken for symptoms of content, if not of increasing prosperity.

Down to the latest period to which the printed Indian records extend, we have no better account of the state of the Ryots in the interior provinces. Change after change has been attempted. From the Aumanee system, or division of produce, to the farming system, the Zemindary, the Mootahdary, the Ryotwary, and the Mouzawary settlements, names only have changed. The fundamental principle, and operation, of the system have been invariably the same—an exorbitant revenue, with a numerous host of uncontrouled and uncontroulable servants to collect it. It has been urged, however, and may, to a limited degree, be admitted, that, in the hands of some collectors, the system has worked well; whence it is concluded that it ought to succeed in all cases, if collectors do their duty. The examples chiefly dwelt upon are those of Colonel Read in Bara-

mahl, and Colonel (Sir Thomas) Munro in the ceded districts. Colonels Read and Munro were unquestionably two of the most distinguished revenue servants that India has produced; and the provinces committed to their management, exhibited signs of tranquillity, and even of improvement, as long as they were administered by the superior energy, talent, and conciliatory demeanour of these remarkable men; but all collectors are not Reads or Munros; and unless our system be adapted to ordinary energies, and ordinary capacities, the benefits of one good administration may be wholly subverted by its successor. Proofs of this position abound in the Indian records, in reference, too, to countries which have been upwards of half a century in our possession; but — but what is more remarkable — the very provinces once administered by Colonels Read and Munro and where the success of the system is so often boasted to have been complete, *are the parts in which we now trace the most signal instances of failure, disorder, oppression and misery.* In *Vol. I. p. 451*, we have already seen what the state of Baramahl was in 1821, on the evidence of Sir Thomas Munro himself; whilst the Revenue Board assures us, (*Vide supra, p. 118.*); that this province suf-



ferred more, from the speculation and corruption of native agents, even than Coimbetoor. Of the ceded districts we have the testimony of the collector of Bellary, and of the Revenue Board, as to that province being in much the same state of disorder and crime. In 1810, it is stated, that ever since the year 1806-7, on the departure of Colonel Munro, over-exaction pressed so hard on the Ryots —“many of them formerly substantial farmers “ who paid very high rents to Government,”— *as to have driven several thousands from their homes and connections, and forced them to migrate into Mysore.* Neither have we any reason for supposing that the evil has been since abated ; for in 1820, the abuses of native public servants are again forcibly pressed on the attention of the authorities at the Presidency. The collector, in reporting the progress he had made in reducing assessments, urgently solicits that he may be vested with powers to protect the Ryots from the exactions to which they were then subject, and to punish bribery and corruption among his servants, and because also, as he observes, *what is remitted by Government will otherwise be collected from the Ryots both by the servants of the Cutchery, and those of the villages.* In 1821, it is further added, that the collector’s repre-

sentations on this head are “ confirmed by  
 “ the observation of every criminal and cir-  
 “ cuit judge, that a vast proportion of the  
 “ crimes committed in this district are per-  
 “ petrated with the knowledge, if not at the  
 “ instigation, of certain heads of villages, and  
 “ the village police.”\*

This, then, is one of the effects — and a most important one — of our Indian financial system. To ascribe this mass of evils to innate depravity of character in the natives would be worse than puerile. Under the same circumstances, and exposed to the same temptations, there is no people on earth, whatever may be the colour of their skins, who would not fall into the same vices, or naturally adopt the same habits. It is the system itself which generates, matures, and perpetuates the whole evil. It commenced in error; it has been continued through a long train of oppressive exactions, which our ablest servants have laboured in vain to alleviate; and it finally fixes its hapless victims “ to the galling oar  
 “ for life.” It counteracts the ordinations of Providence, who called man into being to be blest with the fruits of his own industry. But

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\* Vide *Mad. Rev. Sel.* Vol. I. p. 544, and Vol. III. p. 565.

here he toils, as if in Egyptian bondage, for others' benefit. Doomed to exist in unimprovable poverty, he sows in wretchedness, and reaps despair.

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## SECTION VI.

Effects of the System on the conduct and views of Collectors. Hasty additions to the Public Revenue. Sacrifice and violation of private rights. Compulsory surrender of property.

ALTHOUGH the European collectors in India are, I believe, universally free from the charge of corrupt dealing, there is one effect produced on them by our peculiar financial system which must here be noticed. Every collector in India feels, that to increase the revenue committed to his management will be his strongest recommendation to the favour of the higher powers at the Presidency. This increase, commonly called "improvement" can only be drawn from the land, or its occupants; for there are none other to pay it. Some collectors prosecute this object more judiciously than others; still it is the aim of all;

whilst some young and inconsiderate persons, misled by interested advice, or fancying they have discovered, in the fabricated village accounts before described, hidden sources of revenue, have pledged themselves to a large and immediate encrease of the aggregate amount. The encrease is realized from an unresisting tenantry in the first year; but, in the next, the fallacy is detected. The Jumma falls greatly short even of the old standard; and the Ryots, when called upon, say, and perhaps justly, “ You robbed us of every “ chattel we possessed to make good the en- “ creased Jumma of last year, we have no- “ thing more left to give, but our persons, “ which are also in your hands.” These crude and visionary attempts have been justly condemned by the Court of Directors, and even punished by the authorities abroad. In the mean time the sufferers are unredressed. The mischief is simply ascribed to the ignorance or inexperience of the collector; but no one thinks of seeking for it in the tendency of the system itself to generate evil projects of this nature. When Sir Thomas Munro, perhaps the best and the most popular of the Madras collectors, raised the revenues of the Ceded districts, by a series of skilful measures, from 15 to (as he supposed)



18 lacs of Pagodas (*Vol. I. p. 491.*), he pledged himself that this amount would be realized from the country, without difficulty, in all time to come. It is clear, however, that he had strained the revenue to the highest pitch, and to more even than the country could permanently bear; for the pledge was not redeemed. In the year 1808-9, Col. Munro's estimate was attempted to be realized; but, in the following year, so signal was the failure, that the actual collections are computed to have fallen short of Col. Munro's standard by from two, to two and a half, lacs of Pagodas.\*

The official records also apprise us that this disposition, on the part of the provincial authorities, is often accompanied by "an ill-judged, but not unnatural solicitude to represent the districts (under their charge) in the most favourable state possible." That this is natural enough, no one can doubt; but its dangerous tendency is equally manifest. It induces persons to postpone the communication of untoward events, the evil of which may be greatly aggravated by delay; some-

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\* Vide, *Vol. I. p. 491-494.* It may be added, that Col. Munro himself never collected 18 lacs of Pagodas from the ceded districts. His highest collections in 1804-5 were 1 787,081 Pagodas, (714,832*l.*) whilst the average collections for the whole period of his management were only 1,494,271 Pags. (597,708*l.*)

times to the suppression of important information ; and sometimes to actual misrepresentation of facts. No provision exists, or perhaps can be devised, to guard revenue boards, and governments, at a great distance from the scene, against being misled by the operation of propensities which may thus be said to arise out of the very laws and frailties of our common nature. The authorities at the presidency must depend, in all cases, on the official reports of their provincial officers ; except where error, inexperience, or misrepresentation, may be too obvious to be concealed.

Mark, then, the immediate consequence. Those who patronize, or favour, the system, have a natural interest in its success. Schemes of taxation are enforced which prove, in operation, utterly subversive of the hopes and industry, on which prosperity can alone be founded. In the famed Ryotwar settlement, for example, we have seen interference with the affairs and pursuits of every individual, tantamount in evil to domiciliary visits ; that fields were allotted to each Ryot, which he was compelled to cultivate, or for which, at all events, he had to pay the full rent ; that in every year the state of his cultivation, and circumstances, was enquired into, with a view to

assessment ; that remissions were not allowed, except in cases of great and notorious calamity ; that if the crop fell short, even of the seed sown, still the full revenue was demanded ; and if, after the severest scrutiny into his affairs, including distraints, he was found unable to pay, a more fortunate neighbour was called upon to make good the deficiency. If the Ryot, overwhelmed by difficulty, absconded, he was pursued, seized and brought back to his unprofitable task. Although these principles may not be so distinctly avowed in the other, as in Ryotwary settlements, the practice is nevertheless the same. The Jumma of a province being fixed, the collector is naturally anxious to realize it *in toto*, to establish his credit with Government, and the Revenue Board. The Tehsildar knows that if he is backward in the realization of his portion, he is liable, not only to the anger of the collector, but to loss of place. The same feeling pervades all the inferior collectors. *Per fas aut nefas* the revenue is accordingly collected ; and when defaulters cannot pay, it is taken from those who can. Under these circumstances, it may not unfrequently happen, that a people long accustomed to the keenest oppression, will be comparatively tranquil and contented under the

administration of a patient and considerate collector, and that encreased cultivation, with encrease of the people, will be extended to waste lands ; but, however delusive and flattering this may be to the mind of the collector, it proves nothing in favour of the system. The principles of the system remain unchanged. The only advantage to the Ryots consists in the difference between a conciliatory collector, and a severe, a negligent, or an ignorant one. A bad collector, following a good one, will do ten times more harm than his predecessor had done good. The system itself is thickly sown with the seeds of pure evil ; and universal poverty, and demoralization, are its bitter fruits.

Of the effect of the system in stimulating collectors to encrease, to its utmost stretch, the revenue committed to their charge, as well as to interfere with individual rights and pursuits, some instances are given in *Vol. I.*,\* and many more might be quoted. Another example is here added, because it is one of the most successful attempts of the kind on record ; and having been highly approved by the higher authorities, may therefore be considered as exhibiting the most favourable view which can be given, in this respect, of a collector's official labours.

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\* *Vide particularly, p. 388 to 404.*



In the province of Bundelcund, which the reader will recollect was ceded to the Company in 1805, (*Vol. I. p. 395*) the same revenue and judicial arrangements were introduced as into the other “Ceded and conquered provinces.” The revenue was settled for triennial periods. The first of which terminated with 1808-9; the second period with 1811-12; and the third period with 1814-15.

	Rupees.*	£ sterling.
The Jumma of the last year of the first triennial period was . . . .	2,501,331	or 312,666
Ditto second ditto . . . .	2,902,846	„ 362,855
And this last Jumma was continued throughout the third triennial period; but in 1815-16 the collector be- thought of an increase. In that year it was suddenly raised to . . .	3,695,090	„ 461,886
A quinquennial, but annually increasing, settlement was then effected, giving an average for the whole period of per annum . . . .	3,719,790	„ 464,724

This, therefore, was an increase on the Jumma of 1814-15, or the second settlement, of 816,944 Rupees (nearly 22 per cent); and on the first settlement of 1,218,459 Rupees, or upwards of 32 $\frac{3}{4}$  per cent. At this time, it was distinctly acknowledged that the lands in Bundelcund were the private property of individuals.

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\* The value of the Sicca Rupee in the Company's accounts is 2s. 5d., its intrinsic value 2s. 0 $\frac{1}{2}$ d.

Ask then the landed proprietors, of this country, what their feelings would be, if, after having their estates taxed on the principles of an Indian survey, that tax was suddenly to be raised 32 or 33 per cent. But these are deemed meritorious acts in India, when the tax is expected to be quietly realized. We accordingly find, in the instance of this quinquennial settlement, that although the Government were at first startled at the vast and sudden increase of the Jumma; yet finding, as they observe, that the “resources of the several “estates were *estimated*\* with care and skill, “and the revenue on each allotted with due “discrimination,” the settlement was confirmed, the conduct of the collector highly applauded, and recommended to the particular favour of the Court of Directors; who, in reply, re-echoed the eulogies of the local Government, and expressed their great satisfaction at this acceptable addition to their annual receipts.†

Now there are only three inferences which can be drawn from the preceding fact.

Either this increase of revenue (*if it ever was realized*) must have absorbed the little

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\* The reader will observe that this arrangement was like all others, founded on an *estimate* of resources.

† Beng. Rev. Sel. Vol. III. p. 473—484.

surplus which remained, from a previously oppressive tax, to the landed proprietors of the district.

Or, if the country were fully taxed before, it may have been the portion which Mussulman, or Mahratta, tax gatherers had, as usual, secretly reserved for their own benefit, and which our own native officers had not yet appropriated.

Or finally, if from mistaken confidence in our forbearance, the inhabitants had been induced to extend their cultivation, it may have been the surplus produce of this increase.

It is obvious that this additional revenue could only be derived from one, or other, of these resources ; perhaps from all ; but all are equally fatal to improvement. Their tendency is either to reduce landed proprietors, as under the Mussulman regime, to the condition of cultivating Ryots on their own estates ; or effectually to bar agricultural adventure ; for who would incur extra labour and risk, to have the profits of his enterprize engrossed by another ?

Other injuries arise from the vague and uncertain data on which these settlements are made, and their peculiar tendency to constant increase. A village, as it is called, is either a common property, or it is divided into several

separate estates. A principal proprietor or head man, as Zemindar, or as he is commonly denominated *Malguzar*,\* is put forward by the other owners to negotiate with the collector. An aggregate annual sum of revenue is fixed with the *Malguzar* for the whole village ; and the owners left to regulate among themselves the quotas of each. Some are slothful, and allow portions of their estates to run waste ; others are industrious, and extend their cultivation. The difficulties of duly allotting specific portions of revenue to each are sometimes insuperable, and become a fruitful source of quarrel. The mode by which the deficiencies of defaulting Ryots are made good, namely, by a new contribution from the rest, is another source of animosity and disturbance ; and these causes lead to the most destructive feuds, to affrays, and sometimes to murders. The settlement being effected with one principal person, the whole village is considered by the collector as one estate. In the event of arrears of revenue, which, from its heavy amount, too frequently occur, the whole estate or village is brought to sale by the collector, or privately mortgaged to liquidate the

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\* *Malguzar* — A landholder who pays revenue to Government, whether as proprietor, Zemindar, farmer, or tenant.



arrear ; so that for the misconduct, or unavoidable failure, of a few, all the other owners, however industrious, or respectable, are absolutely ousted of their property. When the head man, or Malguzar, raises money on mortgage for the liquidation of arrears, the estates often fall into the hands of our own native officers, who soon contrive to convert the mortgage into a fee-simple. In this way the Serishtadar of the Court of Justice, possessed himself of estates in Bundelcund, of the annual revenue value of 70 to 80 thousand Rupees (10,000*l.*) Another officer of the Court obtained estates to the value of 24,872 Rupees (3109*l.*) ; and others to the value of 37,453 Rupees (4681*l.*) per annum. In some instances the Zemindar, or Malguzar, himself falls purposely in arrears, that the whole estate may be sold, which he then purchases at the sale. The whole estate thus becomes his own, is registered in his name, and the other owners are actually reduced to the condition of mere tenants at will. Meanwhile the collector is probably unaware of the individual rights which are thus sacrificed. His mind is chiefly bent on the punctual realization or “improvement” of the revenue ; and the grossest injustice is thus often committed under cover, nay ge-

nerally under a self-conviction, of zeal to promote the public interests.

Whether this particular “improvement” continued to be realized in future years from the province of Bundelcund, or whether it was followed by the usual consequence, before adverted to, (*vage 134.*) of subsequent lamentable defalcations, and popular distress, the printed records do not inform us; but the instances on record of hasty attempts at “improvement,” and subsequent fallings off, are numerous. In other parts of the “ceded and conquered provinces,” we have some remarkable examples. Quinquennial settlements, it will be recollected (*Vol. I. p. 401.*) prevailed in these parts. In the settlement of 1813-14 to 1817-18, a large encrease of Jumma was reported as having been effected in Rohilcund, Bareilly, and Shahjehanpore; on which the Bengal Government, and the Court of Directors, expressed, as in the case of Bundelcund, great satisfaction. But before the Court’s exultations could be received in India, the brilliant prospect had vanished. For the last two years of the quinquennial lease, the Bengal Government found that it was impracticable to maintain the full assessment. Owing to the progressive enhancement of demand, the balances of revenue

were progressively encreasing, and the receipts diminishing. The Bengal Government were therefore obliged to relinquish the enhanced or progressive assessment, expressing at the same time their apprehension that further reductions must be submitted to.

But a still more lamentable consequence resulted in these collectorships. It is officially certified that *owners of estates the annual Jumma of which amounted to 1,500,000 Rupees, (187,500l.) had, in despair, abandoned their property from utter inability to pay the*

OVER ASSESSMENT.

A more cruel case of destitution can hardly be imagined. Hundreds, nay thousands, of landed proprietors, in different parts, are thus driven, by the overstrained zeal of aspiring collectors, to relinquish patrimonies which, in many instances, are more cherished by the possessors than life itself. Consequence, rank (for the meanest societies have their distinctions), official power, independence, and even the ordinary means of support, are sacrificed to an all-devouring Moloch, clothed in the garb of public revenue. But the misery of the suffering landlord, who lives to witness the arbitrary transfer of his hereditary rights, his place and power to another—to feel all the injustice of the act—to bear in

silence the consciousness of its being wholly undeserved—and to hear the daily lamentations of a family around him, whose wants he may no longer be enabled to relieve—is still not the fullest extent of the calamity inflicted. If the recusing proprietor be, as is generally the case, a *Malguzar*, or head man put forward as the representative of a village community, or of copartners in a joint estate, his place is supplied by a stranger—a merciless farmer, perhaps, of the public revenue,—who has no feeling for any one connected with the estate, and whose only chance of continuance in office, or of benefit to himself, lies in indiscriminate extortion. Extraordinary contributions are accordingly forced out of the joint owners, whose poverty compels them in turn to have recourse to the *Ryots*. But the *Ryots* have already supplied their last farthing to the exigencies of the state. According to a common saying of their own, “their skins only are left to them.” And thus by gradation, from rank to rank, the oppression descends in all its force through every branch of the community; for the revenue must, if possible, be realized; and attempts to enforce it are seldom, if ever, relinquished, until starvation, universal distress, and irrecoverable defalcations, proclaim



the dream of “ *improvement*” to be mere delusion. \*

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\* The remarks of the Court of Directors on the transactions in Rohilcund, Bareilly, and Shahjehanpore, are very judicious, on which account I here subjoin them. The reader will also perceive in these remarks the spirit by which the revenue authorities in India are incited to the attempts so frequently made to augment the public Jumma—in other words, the effect naturally and necessarily produced on them by a system which it is not merely their interest, but made their prescribed and bounden duty, to carry into full execution.

*Extract Revenue Letter to Bengal, dated 1st August, 1821.*

“ We confess that the hopes raised by your preceding dis-  
 “ patches have not suffered the disappointment produced by  
 “ the present intelligence without occasioning to us consi-  
 “ derable uneasiness. Upon the quinquennial settlement of  
 “ Rohilcund (1813—14 to 1817—18), we were induced by  
 “ your representations to express our satisfaction at the ex-  
 “ pectation which appeared justly to be entertained of an  
 “ encreasing revenue; and in replying to your subsequent  
 “ letter, 31st January, 1815, in our dispatch of the 2nd April,  
 “ 1817, we had occasion, remarking on the quinquennial  
 “ settlement of Bareilly and Shahjehanpore, to express si-  
 “ milar satisfaction at the amount and stability of that settle-  
 “ ment.

“ Before we had time to express our exultation at those  
 “ flattering prospects, you had received accounts which en-  
 “ tirely subverted the representation on which it was founded.  
 “ In their letter, dated 24th February, 1817, the Board of  
 “ Commissioners had informed you, that in consequence of

“ the progressive enhancement of the demand, the balances  
 “ were progressively encreased, and the receipts were diminished, so as to induce the Government, at the suggestion  
 “ of the Board, to authorize the relinquishment in Bareilly  
 “ and Shahjehanpore of the progressive assessment beyond  
 “ the demand of the year 1815—16.

“ It is not till the 4th July, 1817, that you inform us that  
 “ it had not been found practicable to maintain the full assessment for the years 1816—17 and 1817—18 ; and you  
 “ further intimated, that it might be found necessary, in  
 “ carrying into effect the arrangements connected with Regulation XVI. of 1816, to make even further reduction.  
 “ You indeed state, as an apology for the failure in your  
 “ expectations, that the Zemindars had doubtless, in some  
 “ cases, agreed to the enhanced demand, either in ignorance  
 “ of the real capabilities of their estates, or in the prospect of  
 “ enlarged culture, which their poverty, and the circumstances  
 “ of the season, disappointed.

“ The paragraphs of your letter, dated 29th October, 1817,  
 “ are wholly employed in directing our attention to the several topics of a minute, recorded by the acting junior  
 “ member of the Board of Commissioners, Mr. Trant, on the  
 “ revenue affairs of Rohilcund, which had been recently placed  
 “ under his charge.

“ The first part of the minute of Mr. Trant relates to the  
 “ state of the Jumma. The present Jumma of Moradabad (part  
 “ of Rohilcund) is Rs. 2,778,440. The highest Jumma of  
 “ the last settlement was Rs. 2,507,605. The present assessment, he affirms, is not too high ; yet he says that the  
 “ ‘ *Jumma of estates resigned (that is, which their owners  
 “ have relinquished rather than undertake to pay this assessment) amounts to near six lacs (600,000l.), or more  
 “ than one-fifth of the whole.*’ None but very vague  
 “ grounds are stated for Mr. Trant’s opinion that the

“ Jumma is not too high. He confesses that the advanced  
 “ state of the season when he entered the Moradabad dis-  
 “ trict, prevented his making as much personal survey as he  
 “ could have wished. He then gives, as the only remaining  
 “ grounds, the inquiries which he had made, and the opinion  
 “ of Mr. Lloyd, that the district would bear a Jumma of 32  
 “ or 33 lacs. But when we find, as by the instance of  
 “ Bareilly just mentioned, that even such a man as Mr. Deane  
 “ is liable, when proceeding on those general indefinite  
 “ grounds, to the error of excessive estimates, we cannot but  
 “ lay a much greater stress upon the positive fact, that so  
 “ great a portion of the whole landed property has been  
 “ relinquished, than appears to have been laid by Mr. Trant.  
 “ *The resignations in Bareilly are on a similar scale,*  
 “ *amounting to near five lacs (500,000l.) of Rupees. In*  
 “ *Shahjehanpore, the proportion of estates resigned appears*  
 “ *to be much the same as in Bareilly, and for the same*  
 “ *reasons.*

“ Mr. Trant allows, nevertheless, that some estates (and  
 “ this he says is unavoidable) have been over-assessed ; and  
 “ we perceive that you have carried somewhat higher than he  
 “ has done, the opinion of over-assessment. Mr. Trant ad-  
 “ duces a number of reasons for the propensity of the col-  
 “ lectors to raise the assessment too high. He calls it the  
 “ ‘ over-zeal of the collectors, which however laudable in one  
 “ ‘ point of view, is sometimes very prejudicial in another.  
 “ ‘ It has long (he says) been determined, that the Putwary  
 “ ‘ accounts, which are, in fact, the landholder’s own, are  
 “ ‘ not generally worthy of credit. In point of fact, they are  
 “ ‘ very little attended to by most collectors in forming a  
 “ ‘ settlement. The collector, then, must seek his information  
 “ ‘ from the Canongoes, and from persons and officers of  
 “ ‘ government, who either have, or pretend to have, a know-  
 “ ‘ ledge of estates. An active collector will make a personal

“ ‘ survey of many estates, and thus verify the information  
 “ ‘ which he receives ; but a man of the greatest activity  
 “ ‘ cannot survey a whole district within the time allowed for  
 “ ‘ settlement. Persons who furnish information are some-  
 “ ‘ times actuated by improper motives (such as enmity to a  
 “ ‘ landholder, or a desire to appear useful), and deliver an  
 “ ‘ exaggerated statement of the produce. In this case, a  
 “ ‘ collector with the best intentions may assess the Jumma  
 “ ‘ too high, and the landholder having no option but an  
 “ ‘ agreement to terms, which he knows are disadvantageous,  
 “ ‘ or the total relinquishment of his estate, sometimes enters  
 “ ‘ into engagements which he is sensible he cannot fulfil.’  
 “ These are strong reasons for attending carefully to such  
 “ important facts as extensive resignations of lands, and  
 “ for cautiously adopting the opinions formed by collectors.

“ We cannot but regard the evidence involved in resigna-  
 “ tions to the extent of one-fifth of the lands, as deserving  
 “ more attention than it has received either from Mr. Trant,  
 “ or from you. He adduces a few considerations to dimi-  
 “ nish the force of that evidence — considerations which have  
 “ made upon you a greater impression than they were, we  
 “ think, entitled to make. He says, ‘ I have no doubt that  
 “ ‘ by far the greater number of the landholders who have re-  
 “ ‘ signed their estates, have done so, not because they were  
 “ ‘ over-assessed, but because they hope to effect a reduction  
 “ ‘ of the assessment.’ We can hardly entertain this view  
 “ of the causes of these resignations, or think it probable that  
 “ men would choose to put themselves in absolute want,  
 “ rather than retain an estate which, according to Mr. Trant,  
 “ is still a valuable possession. It is stated by Mr. Trant  
 “ that, by some of the Zemindars in Bareilly who had resigned  
 “ to the extent of 500,000 Rs., lands have been taken back  
 “ to the amount of 80,000 Rs., that is, somewhat less than  
 “ one-sixth ; and from this you infer that the resignations



“ generally are not caused by over-assessment, but a desire to  
 “ effect unnecessary reduction. There is, however, another  
 “ inference from the non-perseverance in a few resignations,  
 “ which cannot be regarded as much less probable,— viz. that  
 “ men who are starving will take back estates on any terms,  
 “ when they are sure of one, and more than one, year’s pos-  
 “ session, with the prospect at worst of accumulating ar-  
 “ rears, and of losing the estate by sale at the end of that  
 “ period ; that is, of being in no worse condition after some  
 “ years’ enjoyment than that in which they are already  
 “ plunged by the resignation. We have directed your atten-  
 “ tion to these considerations, because there is in Mr. Trant’s  
 “ report, appearance of a desire to remove the suspicion of  
 “ over-assessment, considerably, we think, beyond the evidence  
 “ which he has adduced ; and because you appear to us to  
 “ have participated not a little in his feelings. You will ob-  
 “ serve that we do not conclude beyond the extent which  
 “ you have admitted, that the misfortune of over-assessment  
 “ has taken place, and of course we are desirous that the  
 “ dues of government should always be fully realized ; but  
 “ we are convinced, and we cannot express that conviction  
 “ more strongly than it has been expressed by you, that  
 “ nothing is less our interest, even in a financial point of  
 “ view, than over-assessment, as the exhaustion of the peo-  
 “ ple for a few years produces an inability for many years,  
 “ to pay the Jumma, which previous to that oppression it  
 “ would have been easy for them to pay. It is good policy,  
 “ therefore, as well as justice and humanity, to err on the  
 “ side of moderation rather than that of exaction.” — Beng.  
 Rev. Sci. Vol. III. p. 448—50.

## SECTION VII.

Subject continued—Public sales of estates to liquidate arrears of Revenue.

Fraudulent transfers. Abuses in the Revenue administration enumerated in the preamble to Reg. I. of 1821. Remarks thereon.

BUT the loss of property from *compulsory relinquishment* is still not the whole extent of the injurious effects of the system here to be deplored. Property to a vast amount seems also to have been sacrificed through the medium of *public sales* for arrears of revenue, and by fraudulent transfers effected under the influence, or with the connivance, of native public officers attached to the revenue, and judicial, departments. The iniquity of these transactions having forcibly struck the benevolent mind of Lord Hastings, a Regulation was passed, in his government, entitled Reg. I. of 1821, for the investigation and decision of certain claims to recover possession of land illegally or wrongfully disposed of by public sale ; or lost through private transfers effected by undue influence ; and for the correction of the errors, or omissions, of the proceedings adopted by the revenue officers in regard to the record and recognition of proprietary rights, and the ascertainment of the tenures, interests, and privileges, of the agricultural community.

The object of this Regulation, was to restore

the wrongful sales, and fraudulent transfers, above adverted to, to their original lawful proprietors. But the extent of injury, injustice, and oppression, inflicted by the operation of this particular part of our system, cannot be so well described as in the words of the Regulation itself, the preamble of which I here subjoin, in the conviction that the series of atrocities it enumerates could not be credited in this country, unless they were at once unanswerably and officially authenticated. The preamble is as follows :—

“ It has appeared, that in the first seven or  
 “ eight years after the acquisition of the Ceded  
 “ provinces by the British Government, the na-  
 “ tive officers of Government, their relations  
 “ connections, and dependants, taking ad-  
 “ vantage of the novelty of the British rule,  
 “ of the weakness and ignorance of the peo-  
 “ ple, and in some cases of the culpable su-  
 “ pineness and misconduct of the European  
 “ functionaries, under whose authority they  
 “ were employed, contrived by fraudulent  
 “ and iniquitous practices to acquire very ex-  
 “ tensive estates in several of the provinces.  
 “ in question, more especially in Allahabad,  
 “ Cawnpore, and Goruckpore, thus wrong-  
 “ fully depriving of their just rights a great  
 “ number of the ancient landholders, and re-

“ ducing them and their numerous dependants  
 “ to ruin and misery. These abuses have  
 “ been chiefly practised through the perversion,  
 “ to the purposes of chicanery and fraud,  
 “ of the rules enacted for the collection of the  
 “ government revenue, more especially the  
 “ provisions relating to the public sale of land  
 “ for arrears. Under cover of these rules, but  
 “ contrary to the true intent and meaning of  
 “ the law, by which (though a considerable  
 “ discretion was left to the revenue authorities)  
 “ the measure of a public sale was principally  
 “ designed for cases of embezzlement, contumacy,  
 “ or fraud, many estates were sold from which  
 “ no balance (or a very trifling balance) was due,  
 “ or on which the arrear accrued without any  
 “ embezzlement, or wilful default, on the part  
 “ of the Sudder Malguzar, and others were  
 “ disposed of without an observance of the  
 “ prescribed forms. In several instances, too,  
 “ a recourse was had to the measure of public  
 “ sale, without any proper ascertainment of  
 “ the liability of the proprietors, or the fact  
 “ of their being under direct engagements to  
 “ Government. Thus some estates would appear  
 “ to have been brought to sale for arrears,  
 “ although the parties responsible to Government  
 “ for the revenue held only a very limited in-



“ terest in the Mehal\* sold, or were persons  
 “ possessing no fixed right of property therein,  
 “ who had been recorded as proprietors and  
 “ admitted to engagements on the faith of  
 “ fraudulent and abusive statements; and  
 “ some appear to have been sold, of which  
 “ the Tehsildars had themselves retained the  
 “ immediate management, the ostensible Mal-  
 “ guzars being creatures of their own, or names  
 “ purely fictitious being entered on the records.  
 “ Under such circumstances sales were often  
 “ effected through the misrepresentations of  
 “ the Tehsildars, made in collusion with the  
 “ recorded Malguzars, for the purpose of ac-  
 “ quiring, for one or other of the parties, an  
 “ ostensible title to the property by purchase  
 “ at public sale. In like manner there is rea-  
 “ son to believe, that persons erroneously re-  
 “ corded as the sole proprietors of Mehals,  
 “ in which they possessed either no fixed pro-  
 “ perty or a very limited interest, have in se-  
 “ veral instances been induced fraudulently  
 “ to execute deeds of sale in favor of public  
 “ officers of Government, their relations or  
 “ dependants, purporting to convey the ex-  
 “ clusive property of the lands comprised in  
 “ the Mehal, for which they were under

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\* Lands yielding revenue.

“ engagements, and that on the faith of such  
 “ deeds, the purchasers have been recorded  
 “ as the sole proprietors thereof. In almost  
 “ all these cases, the purchasers whether by  
 “ public or private sale, taking an illicit ad-  
 “ vantage of the ignorance of the village  
 “ occupants, and of their unacquaintance  
 “ with the Regulations and the forms of  
 “ judicial practice, have effected an extensive  
 “ usurpation of private rights, and the con-  
 “ sequent annihilation of institutions by which  
 “ the village communities have immemorially  
 “ been regulated. There is reason to believe,  
 “ that the same evils have very generally  
 “ occurred in all cases of sale for the recovery  
 “ of arrears, even where the transfer of the  
 “ estate, held by the alleged defaulter, was  
 “ legal and valid, the purchasers having  
 “ usually claimed to possess the whole of the  
 “ lands comprized in the Mehal sold, with-  
 “ out being subject to any of the restrictions  
 “ and conditions arising out of private rights  
 “ which attached to the estate of the defaul-  
 “ ter, and having frequently succeeded in  
 “ establishing such claims to an extent not  
 “ warranted by law. Thus in almost every  
 “ Mehal sold in liquidation of arrears of  
 “ revenue, many village Zemindars, Puttee-

“ dars, and other proprietors, though in no  
 “ degree parties to the engagement of the  
 “ defaulting Malguzar, and holding under  
 “ tenures of such a nature as not to be affect-  
 “ ed by the sale of the estate possessed by  
 “ such defaulter, further than that by such  
 “ sale the obligations of the under tenants  
 “ towards the defaulter are transferred to the  
 “ purchaser, have been deprived of their just  
 “ rights, and either ousted from the lands or  
 “ reduced to the condition of tenants at will.  
 “ There is further reason to believe, that in-  
 “ dependently of cases of abusive alienation,  
 “ the village Maliks and others have in many  
 “ cases sustained serious injury through the  
 “ insufficiency of the inquiries instituted by  
 “ the revenue officers in regard to the tenures  
 “ by which land, and the rights connected  
 “ with land are held, and from the errors and  
 “ defects of the public records relating to  
 “ such matters. That in consequence of such  
 “ errors and defects many persons justly en-  
 “ titled to engage in chief for the revenue of  
 “ the lands occupied by them, have been ex-  
 “ cluded from engagements in favour of per-  
 “ sons erroneously recorded as proprietors ;  
 “ and that the real nature and extent of the  
 “ interests actually possessed by different in-

“ individuals, and classes being ill ascertained  
 “ and defined, great facilities have been af-  
 “ farded to chicanery and fraud, which have  
 “ led, and are likely still further to lead, to  
 “ consequences greatly injurious to indivi-  
 “ duals, and seriously affecting the peace and  
 “ good order of the country. The persons  
 “ who have suffered by the aforesaid abuses  
 “ are, for the most part, poor and ignorant  
 “ men, unaccustomed under the former go-  
 “ vernment to any regular system of law,  
 “ little acquainted with the principles of the  
 “ British code, or the regular forms of British  
 “ judicial proceedings, incapable of availing  
 “ themselves of the protection it was designed  
 “ to afford, and possessing not the means of  
 “ securing the aid of individuals better in-  
 “ formed ; while those opposed to them are,  
 “ for the most part, men of wealth and power,  
 “ who acquired their possessions through the  
 “ influence of official station, and by an  
 “ abusive exercise of the authority vested in  
 “ them as officers of government, who are  
 “ well acquainted with all the forms of law  
 “ as administered in our Courts, and who pos-  
 “ sess ample means of securing the retainers  
 “ of the Adawlut in their service. These,  
 “ indeed, are themselves generally supposed  
 “ to be much interested in maintaining the



“ sales in question, and in supporting all the  
 “ claims of the purchasers, and the Sudder  
 “ Malguzars. Moreover, in all suits brought  
 “ to annul sales made for the recovery of  
 “ arrears of revenue, the collector, on the part  
 “ of government, must be made one of the  
 “ defendants, in the case along with the pur-  
 “ chaser, and various other forms must be ob-  
 “ served which are likely to defeat the just  
 “ claims of the ousted proprietors. The prose-  
 “ cution, too, in the ordinary course of regular  
 “ suits in the Adawlut, necessarily involves  
 “ considerable delay and expense ; requiring,  
 “ besides a long attendance at the Court, the  
 “ payment of various fees, the employment  
 “ of Vakeels, and other expences which would  
 “ alone operate greatly to prevent the com-  
 “ plainants in question from seeking redress  
 “ in that manner, even if the cases were such  
 “ as to admit of easy decision by the regular  
 “ tribunals. But the investigation of the  
 “ abusive alienations and usurpations in ques-  
 “ tion will apparently require a thorough re-  
 “ search into voluminous and complicated re-  
 “ venue accounts, minute local inquiries, and  
 “ a free and constant communication with  
 “ the parties concerned, and with the local  
 “ officers, and an active inquiry into all the  
 “ circumstances of the transactions without

“ reference to the mere points stated by the  
 “ plaintiffs, such as the constitution of the  
 “ established courts would not admit of their  
 “ pursuing. Besides, the existing regulations  
 “ do not vest the civil courts with so exten-  
 “ sive a discretion in the adjustment of doubt-  
 “ ful claims, and in the relief of parties suf-  
 “ fering hardships, as the cases in question  
 “ appear to demand. Further, the regula-  
 “ tions applicable to the provinces in ques-  
 “ tion, having been necessarily founded on  
 “ incomplete information, are in many re-  
 “ spects defective ; so that several points  
 “ requiring a distinct declaration of the views  
 “ and intentions of the legislature, relative to  
 “ the privileges designed to be vested by a  
 “ settlement in the *Sudder Malguzar*,\* or con-  
 “ veyed to the purchaser by a public sale, as  
 “ well as in regard to the extent of the autho-  
 “ rity vested in the revenue officers in de-  
 “ ciding on the mode in which the public  
 “ revenue is to be managed or collected, still  
 “ remain to be settled, and cannot yet be  
 “ settled by a general legislative enactment  
 “ without risk of error. The proceedings of  
 “ the established courts must necessarily par-

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\* Head farmer, or proprietor, or representative of proprietors, of a joint estate. *Vide pages 143 and 186.*

“ take of any defects belonging to the law  
 “ which it is their duty to administer ; and  
 “ it would be obviously inconsistent with  
 “ every sound principle to grant a general  
 “ discretion to those courts to deviate from  
 “ the law on individual views of expediency  
 “ or justice. The established courts con-  
 “ sequently are not so constituted as to pro-  
 “ vide an adequate remedy for the evils above  
 “ specified, which can be completely cor-  
 “ rected only by a tribunal exercising a larger  
 “ discretion, and acting in more immediate  
 “ communication with the government, than  
 “ could with propriety be allowed in the case  
 “ of the courts established for the general ad-  
 “ ministration of civil justice. Even, too, if  
 “ these courts were so constituted as adequate-  
 “ ly to provide for the trial and decision of the  
 “ cases in question, yet the duty could not  
 “ be completed by them for a long period of  
 “ time without an entire interruption of their  
 “ ordinary functions ; while the parties injured  
 “ are equally incapable of supporting the ex-  
 “ pense of protracted litigation in the Adawlut,  
 “ and of defending themselves in that course  
 “ of proceeding against the arts and intrigues  
 “ of their powerful adversaries. In considera-  
 “ tion of the above circumstances, it has ap-  
 “ peared to the Governor-General in Council

“ to be essentially necessary to the ends of  
 “ justice, that a special commission with large  
 “ discretionary powers, and with full autho-  
 “ rity to regulate its proceedings according to  
 “ the exigencies of the cases brought before  
 “ it, should be constituted for the purpose of  
 “ investigating the cases above described, of  
 “ restoring to their just rights the Zemindars  
 “ and other proprietors who have been wrong-  
 “ fully dispossessed, of defining and fixing the  
 “ real nature and extent of the interests and  
 “ title conveyed to the purchasers in cases in  
 “ which sales may be upheld, of restoring pro-  
 “ prietors whose estates may, in consequence  
 “ of the errors in the administration above no-  
 “ ticed, have been transferred to another on  
 “ account of a trifling balance, or for a trifling  
 “ consideration, making due compensation to  
 “ the present possessors, of granting redress  
 “ to persons who may have lost the possession  
 “ or management of the estates without just  
 “ cause, under the operation of a public sale,  
 “ or through any act of a revenue officer, or who  
 “ may have been wrongfully excluded from en-  
 “ gagements with government, and of making  
 “ an equitable adjustment of doubtful claims,  
 “ including the relinquishment upon due com-  
 “ pensation of rights acquired or held under  
 “ the strict operation of the law by means in-



“ consistent with equity and justice, or involving excessive hardships to the sufferers.”

From this preamble, two conclusions are obvious, as to the effects of our Indian financial system. First, it proves the utter inefficiency of our institutions, revenue and judicial, to protect property and private rights; and gives the reasons of the local authorities, and servants abroad, for vesting judicial powers in the hands of revenue servants. And, secondly, it establishes the fact of facilities being afforded for the commission of frauds, amounting to virtual confiscations of property, by the public officers of Government, to an extent of atrocity which, without the certificate of the highest official authority, could scarcely be credited. This regulation was accordingly enacted, constituting a Board of Commissioners, denominated “ Mofussil Commission,” to inquire into, and redress, the evils above described. From the decisions of the Mofussil Commission, an appeal lies to a superior tribunal, denominated “ Sudder Commission;” and from the Sudder Commission, in certain cases, to the King in Council. The benevolence of the intention is manifest in this, as in various other acts, and documents, of Lord Hastings’ government; but it may be questioned how far it was either just, or politic, to re-disturb

proprietary rights, and possessions, which our own laws, for a series of years, had in many instances created, in others sanctioned, and in all recognized. The original robbers (for they deserve no better name) may have appropriated the lands above described in utter contempt of the undeniable rights of lawful proprietors; but if it be an axiom of civil jurisprudence, that the injustice of the original appropriation does not affect the justice of the tenure, provided that it has been sanctioned by the state, or permitted to acquire the qualities of security and transference, it may be apprehended that this Regulation, however benevolently intended, is more likely, in its operation, to be considered another act of arbitrary power, rather than of retributive justice—in other words, an attempt to remedy one system of confiscations by actually legalizing another. It is true that the Bengal Government proposed, and even ordered, that compensation should, in all these cases, be given to the party disseised, proportioned to the value of his interest in the property resumed. But who were the parties to settle and adjudge compensation? Persons who neither knew, nor ever can know, the real value of the property to be resumed; and who, in addition to the errors of ignorance,

may often find it impossible to satisfy its possessors, by any thing like an equitable pecuniary consideration, for the loss of what they are often more attached to than to life itself.

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### SECTION VIII.

Attempts of Government to encrease the public revenue by resuming rent-free lands, and lands supposed to be fraudulently alienated. Opinions of the Court of Directors thereon. Different view taken by the Bengal Government, and power of deciding cases of this description vested in Revenue Collectors.

BUT to return to the particular effects of this system in inducing augmentations of the public land revenue. The infectious rage of "improvement" is not confined to collectors, and revenue commissioners, alone. It sometimes takes a like hold of the higher authorities, notwithstanding their unqualified condemnation, on other occasions, of the operation of our fiscal system, and of its peculiar tendency to induce enhancement of demand.

When the permanent settlement was introduced into the Bengal provinces, it will be recollected that it was part of Lord Cornwallis's plan to give up to the Zemindars *all* the waste or uncultivated lands appertaining to their estates tax-free ; that it might encourage them to extend their cultivation, so as thereby to lighten the pressure of a disproportionate im-

post, which the necessities of Government, and the orders of the Court of Directors, obliged him to lay on the cultivated parts. Of the extent or quality of these wastes it is quite true that nothing at the time was known; but Lord Cornwallis avowedly despaired of acquiring accurate knowledge on this head; and thought it better to give up these lands, without reserve, to the Zemindars, rather than to prosecute further useless and harassing enquiries. In process of time, more knowledge was obtained of the vast extent, and even fertility, of these wastes; and when it was also discovered that Zemindars were enriching themselves, by causing their untaxed wastes to be extensively cultivated, it seems to have excited a notion that the Zemindars had got too good a bargain. Good or bad, however, the bargain had been made, and so binding were its terms, that both the Court of Directors, and the Bengal Government, were fully sensible that, in justice and good faith, it ought not to be disturbed.

Subsequent enquiries had moreover led to the discovery, or at all events to the belief, that lands, both cultivated and waste, were included within the limits of particular estates, without being accounted for to Government at the time of the perpetual set-



tlement. Lands of this description are particularly noticed in Lord Moira's Minute of Sept. 1815, under the denomination of Toufer or Toufeer lands (*Vol. I. p. 593.*) But if we were deceived on this occasion, we were ourselves willing parties to the deception, by a voluntary grant of the estates in perpetuity, for a fixed sum, under avowed ignorance of their value, and of their specific contents.

It will also be remembered that at the time of introducing the permanent settlement (1793), lands of considerable extent were held free of revenue, and supposed to have been alienated under fraudulent grants. Some attempts were made at the time to ascertain the real merits of these alienations, but miscarried. They were afterwards renewed, for we find, that in 1815, commissioners had been appointed, in various parts, to investigate and resume illegal alienations, and to assess such wastes as it could be ascertained were not included in the original allotment of estates in 1793. One of the commissioners, Mr. Salmon, in the province of Baugulpoor, reports, in 1817, the difficulties by which he was surrounded. The Zemindars laid claim to the wastes, as being included in their assessed estates; and so vague and inaccurate (he observes) were the terms of the Permanent Settlement, so

loose and improvident the manner in which it was performed, and the village registers affording no information as to the quantity of the land belonging to each estate—what part was cultivated, and what waste—or what were the respective boundaries of each—that the commissioner thought he had no alternative but to recommend to Government, that all lands, however usurped, which had been taken possession of to any useful purpose, should be resigned to the Zemindars ; whilst such waste lands as remained, in every practical sense of the word, unoccupied, should be declared, by virtue of the Mahomedan law, the property of Government, and without further ceremony appropriated ; unless the Zemindar could prove that the land in question was comprised in his estate at the time of the perpetual settlement. But it is an ascertained fact that there is not a foot of land, in the long settled districts of India, that is not the claimed, and probably the lawful, property of some individual, or of some village community ; and every Zemindar naturally concludes that his estate embraces every portion of the land, whether cultivated or waste, that ever did belong to it. The proposition of the commissioner went therefore obviously to reverse the principles of equity : to pass judgment, and to execute

it, not only before proof of wrong, but without even the forms of trial; and then to throw on the aggrieved party the onus of redressing himself; this, too, in a case where his accuser had found insurmountable difficulties, in the way of his own proceeding as a prosecutor. When this proposition was afterwards acted upon by the Bengal Government, and the decision on these cases vested in the revenue authorities, subject to an appeal to the established courts of judicature, the Court of Directors very justly observed on it—"What you have done is  
 " to constitute yourselves, by your own act, defendants instead of plaintiffs; and that, in  
 " each instance, preceded by the material circumstance of the extra-judicial and arbitrary dispossession of a man from a property  
 " which he had been accustomed to enjoy and regard as his own." They also disapproved the measure on the grounds that a principle of Mahomedan law ought not to be applied to Hindoo property.\*

Meanwhile considerable difficulties had been experienced in resuming, and assessing, free lands in, and bordering upon, the Sunderbunds. The Zemindars, whose rights, or pretensions, had never been questioned since

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\* Beng. Rev. Sel. Vol. III. p. 105.

1793, laid claim to the unassessed lands without reserve, declaring them to be included in the original grant of their estates, but refused to produce papers from which evidence on the subject could be drawn. On one occasion, three Purwanehs (grants) were produced, given by the collectors in 1792-3, which purported to fix the Jumma in perpetuity for the land, both cultivated and waste; but in general the required documents were either withheld, or not in being. To ascertain the exact boundaries of estates was therefore not practicable; and the commissioner (Mr. Scott) reported, that, without greater powers, his commission would only prove an useless expence, and had better be abolished. Mr. Scott shortly after resigned from ill health; and was succeeded by another commissioner, who had effected little, up to July, 1818. Inquiries, however, were still prosecuted; but the Bengal Government, doubting, perhaps, the entire legality of their own proceedings, observe thereon, that they had now “ confined  
 “ themselves to the mere assertion of the right  
 “ of government to derive a revenue from the  
 “ land, without touching on the more intricate question of property.” The operation of the measure was, however, pretty widely extended, as it embraced the provinces of 24 Pergunnahs, Nuddea, Jessore, Dacca, Jelal-



pore, and Backergunge.\* The Revenue Board recommended the resumed lands to be assessed at half a Rupee per Beegah, but the Bengal Government thought this an inadequate rate, and that “one Rupee per Beegah did not exceed the just amount of the public dues.”

In like manner, the commissioner in Behar and Benares, Mr. Deane, experienced the same difficulties as in other parts. He also reported the unassessed lands to be every where claimed as belonging to certain estates. The right, in these cases, became a question for the Courts of Judicature; but 70 suits in one district having been instituted in one year, and as many more about to be instituted, whilst two only were decided in the course of the year, it followed that decisions could hardly be expected, on the whole, in less than half a century. Mr. Deane accordingly recommended the appointment of a separate court, and judge, for the trial of this particular class of causes. The Court of Directors were disposed to approve this proposal, expressing at the same time their opinion, that a real judicial enquiry should, in all cases,

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\* Reg. XXIII. of 1817. Vide Beng. Rev. Sel. Vol. III. p. 103 and 121; and ib. Reg. VII. of 1822, p. 380.

precede resumption ;\* but the Bengal Government had imbibed the favourite notion that the forms and delays of the Courts of Justice were ill calculated for the decision of revenue causes ; and that it would be much more conducive to the public interests (that is, to the realization of the public revenue) to place this branch of the judicial power in the hands of the collectors,—in other words—in perhaps nine cases out of ten, to make the claimants judges in their own cause.

Regulation II. of 1819 was accordingly passed, to modify the provisions contained in former regulations for resuming the revenue of lands held free of assessment under illegal or invalid tenures ; and to define the right of government to the revenue of lands not included within the limits of estates for which a settlement has been made. By this regulation, or law, the collector is himself to judge in the first instance of the cases of this description

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\* The Court of Directors were also averse to the resumption or assessment of lands in the Sunderbunds, when even a plausible claim to exemption could be set up by Zemindars, or Talookdars, on the faith of the permanent settlement ; but with a liberal allowance on this score, they anticipated that a large tract of uncultivated country would still remain at the disposal of Government.—Letter to Beng. 11th June, 1823.

requiring investigation. He is then to proceed in the enquiry with, or without, the concurrence of the opposite party, to collect evidence, examine documents, &c.; and having completed the enquiry, to transmit his proceedings, with his opinion thereon, to the Board of Revenue, who are to review the proceedings, and after due notice to the parties, and receiving, if necessary, further evidence, to pass final judgment in the case. Against this judgment the aggrieved party may appeal to the Courts of Judicature, on giving security, in the interim, for the payment of the revenue, and instituting the suit within a limited number of days.

The Regulation consists chiefly of the forms to be observed in prosecuting these enquiries. From the little knowledge acquired of the precise nature of landed tenures, and the vague and unsatisfactory terms of the permanent settlement, there are no fixed rules or principles laid down by which the decision of the revenue authorities is to be guided. Minute inquiry is enjoined ; but much is left to the collector's discretion, and natural sense of justice ; for the Revenue Board, far removed from the spot, must, in their ultimate decision, be mainly guided by the collector's proceedings ; and unless we can suppose the virtue of collectors in India to be far more perfect than in any other

part of the world—with their credit and future promotion greatly depending on the “improvement” of the public revenue—with their time fully occupied in other revenue details—and with no land-marks, as it were, to direct their steps through cases, many of them of labyrinthian intricacy,—it is impossible not to be persuaded, that many of their judgments will be either biassed, or hasty, or such, at least, as the land-holders themselves will deem a violation of the pledged faith of Government and of their own individual rights.\*

The Bengal Government, however, continued to be of opinion that it would not be advisable

\* The judge and magistrate of Moradabad having given an official opinion on this regulation, and his observations having attracted the particular notice of the Court of Directors, the same are subjoined, on account of their importance, in the following extract from the Court’s letter to Bengal of the 11th June. 1823.

“ We find in your consultations, dated 24 November, 1820, a paper by N. J. Halhed, judge and magistrate of Moradabad, setting forth the insufficiency of the provisions made by Regulation II. of 1819, for the purpose of resuming rent-free lands, and recommending a course of proceeding which he regarded as better adapted to the end. There are several points in the representation of Mr. Halhed, which induce us now to communicate to you some of the reflections which they have suggested to us.

“ One of the circumstances which appears to us particularly



to disjoin the duties of a collector, in so far as they regard the adjustment and collection of

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“deserving your attention is the number of cases requiring  
 “decision. Mr. Halhed says, that ‘in the smallest col-  
 “‘lectorate in the upper provinces, there are not less than  
 “‘6000 claims (meaning claims of one description alone,—  
 “‘viz. those to hold rent-free lands) to be decided on. In  
 “‘many, such as Seharunpore and Meerut, Allygurh and  
 “‘Cawnpore, there are at least 10,000 claims to be received;  
 “‘in Moradabad, certainly not less than 20,000.’ We can-  
 “not suppose that Mr. Halhed would make this assertion  
 “without adequate grounds; and if it but approach to the  
 “truth, it must occur to you, as it did to him, that between  
 “this enormous mass of business, and the means provided for  
 “the proper discharge of it, there is a lamentable dispropor-  
 “tion.

“Mr. Halhed asserts, what may be too certainly inferred  
 “from other sources of information, that ‘in favour of these  
 “‘claims, a great mass of bad evidence will be adduced, the  
 “‘falsity of which it will be very often not easy to detect.  
 “‘In this country, great facilities are afforded to forgers of  
 “‘public documents of all descriptions.’ In the declining  
 “days of the Mogul monarchy grants were made with very  
 “little consideration, by the princes of that house, of lands  
 “in parts of the country where they had no more than a  
 “nominal sovereignty. Mr. Halhed adds, ‘In this country  
 “‘it is easy to procure the signature or seals of as many  
 “‘evidences as are required to any document, true or false,  
 “‘provided they receive a very trifling sum.’ *All registers  
 “and records are in the highest degree imperfect.* On this  
 “subject, he observes, that the Regulations direct that a  
 “registry of rent-free lands should be filed in every collector’s

the revenue, and the determination of summary suits regarding land and revenue ; for each as-

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“ office, but that he had never been able to obtain the requisite degree of information, which those lists ought to contain in any of the revenue offices. ‘ There are books (he says) in each collector’s office, containing the abstracts of the deeds by which the occupants of rent-free lands claim to hold them ; but it would take years to examine them before a summary of the whole could be drawn out. The aggregate amount of land in Beegahs is not to be ascertained from the existing documents in any of the offices ; and in consequence of the notorious chicanery of the Canongoes and Sudder revenue officers, it is unknown whether the present occupants hold more or less land than their several title deeds set forth. It is to be presumed that in most cases a far greater proportion of land than is specified in the documents produced has been surreptitiously retained by all.’ The Tehsildars, Canongoes, and Sudder Omlah, who are bribed by the occupants, are interested in obscuring and perverting evidence. Mr. Halhed states that when the ceded and conquered provinces first came into our possession, the holders of rent-free lands crowded to the revenue offices, to present their documents, the greater part of which were forged or insufficient ; that the superior native officers, or Dewans, and their dependants, made vast acquisitions, by causing them to be entered in the books, and that one Dewan was said to have carried off 30 lacs of Rupees realized in this way, and that his successor was reported to have taken with him no less than 20 lacs so acquired in a few years, which sums, he was convinced, were not over-rated. Mr. Halhed further observes that ‘ the office of Dewan had indeed been done away ; but that the corrupt influence possessed by the people who

sists the other. The judicial powers, therefore, vested in collectors, were extended and con-

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“ ‘ held that office, was but more widely extended and diffused  
 “ ‘ among the whole of the revenue Omlah. He adds—  
 “ ‘ to prevent investigation and inquiry, all that a spirit of  
 “ ‘ chicanery, vice, and iniquity can suggest would be opposed  
 “ ‘ to a collector. The offer of a handsome bribe would be  
 “ ‘ the first attempt. As that would be refused, recourse  
 “ ‘ would be had to forged documents and perjury, and an at-  
 “ ‘ tack on the character of the collector would be made by  
 “ ‘ petitions and representations to the superior authorities,  
 “ ‘ teeming with that happy mixture of truth and falsehood  
 “ ‘ which the natives of India are so clever in manufacturing  
 “ ‘ to serve their own ends.’ *These are painful proofs of*  
 “ *the insufficiency of your system of revenue administration*  
 “ *for the prevention and detection of public abuses; but we*  
 “ *notice them in this place as affording an instructive ex-*  
 “ *position by which it is clearly shewn, that he who decides*  
 “ *upon the claims to rent-free lands will have in most cases*  
 “ *to find his way through an obscure and intricate labyrinth,*  
 “ *with hardly any thing certain to direct his steps. These*  
 “ difficulties will be encreased if he be not well acquainted with  
 “ the native languages, and the character of the people, and  
 “ conversant, from previous service in the revenue department,  
 “ with investigations of this nature.

“ In addition to these remarks upon the magnitude and  
 “ difficulty of the business thus devolved upon the revenue  
 “ officers, some of his other observations are well deserving  
 “ of notice. He asserts that ‘ the duties of a collector, espe-  
 “ ‘ cially in the upper provinces, demand his whole attention ;  
 “ ‘ that the very first step towards a resumption of rent-free  
 “ ‘ lands, namely, pergunnah lists, containing the name of  
 “ ‘ the original grantee, that of the present occupant, the

firmed by Reg. VII. of 1822 ; but at this time it was discovered that the load of business

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“ ‘ stated amount of the land, the quantity actually in possession, and an abstract of the title deed, have not in so long a time been entered upon by one of the revenue officers ; that the collectors cannot afford leisure to attend to investigations relative to rent-free lands, must at once be obvious, from the known fact of the whole of the claims to eleemosynary pensions or rosannahs not having been finally determined, although the ceded and conquered provinces have been under British dominion for upwards of seventeen years.’

“ Besides this want of time, there is a necessary species of knowledge in which Mr. Halhed infers that the revenue officers cannot fail to be deficient. ‘ They are ignorant (he says) in most cases of the forms of the courts, and of the tenor and spirit of the law in judicial matters. From the circumstance of their not having been educated in the judicial line, they are ignorant of the requisites necessary in a cross-examination, which can only be attained by long practice and experience, and without which it is impossible to extract the truth from an unwilling witness. The result of a collector’s inquiry is but rarely satisfactory in a judicial point of view. Being interested in the decision, they very often over-estimate the evidence in favor of the revenue, and their decision is reversed in the appeal to the courts ; when if they had been less easily satisfied with evidence making for their own side of the question, they might by further investigation have established a proof against a claimant. More suits (he says) are lost from the little attention paid by the collectors to the means of refuting the arguments and allegations of the adverse party, and from the want of knowledge as to the measures



imposed on collectors, by this their enlarged jurisdiction, greatly impeded the performance

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“ ‘ to be adopted in order to circumvent the tricks and subterfuges of the attornies and pleaders of the courts, and of their interested principals, than from defects in the right of government, or from any other causes.’ ”

“ The want of time is an objection applicable, he thinks, no less to the revenue Boards than to the collectors. If the business which they have now to discharge gives them full employment, he concludes that they must be overwhelmed, when they shall have to consider the petitions which will pour in upon them as soon as the investigation of lakerage (free) tenures is prosecuted to any extent. These petitions and appeals to the courts, he thinks, will occur in almost every instance, and an incalculable amount of business may be counted upon as the result.

“ Having thus pointed out the defects which he believes will be found adhering to the plan which has been adopted for investigating the titles to rent-free possessions, he proceeds to recommend an expedient which he regards as much better calculated to answer the end. It is that of appointing a commission ‘ to be composed of two European coveted civil servants, to be selected from the revenue and judicial branches ; the two commissioners to be vested with full powers to hold proceedings in a judicial form, and to be empowered to execute the duties relative to the inquiries regarding rent-free tenures, which under Regulation II. of 1819, devolve on the collectors.’ ” Beng. Rev. Sel. vol. iii. p. 118 to 119.

The Court of Directors were much inclined to adopt this suggestion of the judge and magistrate of Moradabad. They justly thought that, by the Regulation II. of 1819, too much was left to the decision of collectors, who had exclusively to

## of their other duties ; on which account Government strongly urged the Court of Directors

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collect the evidence in each case, and thereon to pass their opinion. Whether evidence be perfectly or imperfectly taken must, it is obvious, depend on him who takes it ; and a decision passed on evidence imperfectly taken is likely to be erroneous. Reserving, therefore, the ultimate judgment in these cases to the Revenue Board, who could only pass judgment on the collector's evidence, was no security against error ; whilst from the expence of prosecuting appeals, and the poverty of a great proportion of those whom the decisions in question would affect, the Court apprehended, that the power of appealing would, in numerous instances, be a remedy in name rather than in effect. The Court of Directors were also of opinion that an appropriate judicatory was only one of the conditions essential to the ends of justice. " Another is (they observe) " a rule according to which it shall decide. Your first proceeding, therefore, doubtless is, maturely to ascertain and " lay down the principle according to which you mean to discriminate between the lands which you are entitled, and " those which you are not entitled to resume ; and to draw up " a set of accurate rules defining the several sets of cases " which that principle would embrace."

The letter of the Court of Directors being rather the expression of an opinion than an order to adopt it, the Bengal Government adhered to their own arrangement ; and after stating their objection to the appointment of a special commission, conclude with the following observation in favour of the plan they had adopted. " At present the law appears to " us to provide sufficiently for every essential object. *If there* " *be any error it is on the side of tenderness towards the* " *people(!)* which we are sure your Honorable Court will not " disapprove." (Bengal Rev. Sel. vol. iii. p. 136.)

to increase very considerably the number of European servants, as being, they added, quite essential to the full improvement of the system of revenue management.

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In respect to the assessment of resumed lands, and of wastes supposed to be not included in the grants of the permanent settlement, but which had been since cultivated, the Court of Directors still clung to their lately favoured notion of Ryotwar survey and measurement. The fallacy of these surveys has been already exposed ; but as they are still prime favourites with some persons, I may here add the result of another of these attempts made in the “ceded and conquered provinces,” where a professional surveyor (Lieut. Gerard) was appointed to verify the accounts of the land, cultivated and uncultivated, in the district of Cawnpore. Shortly after the commencement of his labours, the Commissioners gave the following hopeless account of their probable termination. “The length of time required for a minute survey of that description which could ascertain the actual quantity of land in, and fit for, cultivation, and the nature of the produce of every field in every individual estate of these provinces, may be readily estimated from Lieut. Gerard’s report on his survey of the village of Porth Khas. He there calculates that half a square mile may be surveyed in one day ; and taking the square contents of the smallest district in these provinces (Feruckabad) at 2,700 miles on an extreme length of 90 miles, and on an average breadth of 30, *it would require 15 years for the completion of the survey of a single district.*” — Vide Beng. Rev. Sel. vol. iii. p. 106. 112. 114. 138. and 145.

## SECTION IX.

Views of the Court of Directors in respect to periodical encreases of revenue  
 — Long leases, and consequences thereof. Court's prepossessions in  
 favour of existing system of land-revenue. Its influence on the conduct  
 of public servants abroad. Effects of the system in preventing the ac-  
 cumulation of capital. Concluding remarks on the preceding details.

EVER since the Court of Directors first took a fancy to Ryotwar settlements, the spirit of "*improving*" the public revenue equally pervades their despatches and instructions to their Indian governments. Their objection to the extension of the Permanent Settlement has always had, for one of its grounds, that of excluding them from participating in the immediate advantages of extended cultivation,\* of fixing bounds (as they observe) to their resources, whilst the extent of their possible exigencies remains unlimited. They have, at the same time, been willing enough to grant a liberal length of lease to Ryots, and landholders, on a fixed annual sum, for a period of 10 or 15 years, and to allow the cultivators the whole of its intermediate benefit from encreased produce; but the Court have uniformly asserted their right to an augmentation of revenue, at the expiration of each period, proportioned to the encrease,

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\* Vol. I. p. 541.571-2. and 609-612.



if any, from each tenure, to be then ascertained by fresh valuations and surveys.

In the earlier records of the East India Company we find the Mussulman principle of the sovereign's right of property in the soil universally asserted; so that land revenue, or a land tax, in those days, was deemed no other than the sovereign's rent from his own lawful estate. In later times, when a better knowledge of the nature of landed tenures in India disclosed the monstrous injustice, as well as absurdity, of this principle, another Mussulman doctrine came to be substituted, viz. that the sovereign had an indefeasible right to a portion of the gross produce of land, which is usually designated by us as being equal to 50 per cent. thereof, but which the Mussulmans denominate *Kheraj*. This maximum of revenue, variously described as "*Moderate Jumma*" — "*Standard Assessment*" — "*Just amount of the public dues,*" &c., is, therefore, always considered as a legal claim, to be ultimately realized from all lands not subjected to the Permanent Settlement. Lord Cornwallis's arrangements of 1793, tore up, it is true, this cherished right by root and branch; and no sooner was the effect discovered, than an immediate stop was put to the progress of the

Permanent Settlement ; and the right of participation, as above stated, in the varying gross produce of the soil again most tenaciously insisted on.

Our financial systems thus leave us but a choice of inveterate evils. The Permanent Settlement on the one hand ; or a variable settlement variously denominated and modified on the other. Of the Permanent Settlement we have already seen how a scheme conceived in benevolence, but prosecuted in utter ignorance of existing interests, and individual rights, spread confusion and oppression throughout the country. We have also seen the operation of the Mootahdar, the Ryotwar, the Mouzawar, and the new Ryotwar settlements in other parts ; the grounds on which the Court of Directors have of late years decidedly objected to any permanent limitation of their claim to a lion's share in the encreasing produce of the soil, with their suggestions for remedying the inconveniences of a variable settlement by granting leases to the Ryots and landed proprietors ; but we have recorded proof that under the system, as it exists, — that is — under the pressure of an intolerable and constantly encreasing tax, the proposed remedy is no relief. In the lease, or farming, system, a head man,

or principal proprietor, is, as before observed, put forward as the representative of a village or community, under the denomination of a Zemindar or Malguzar.\* The Malguzar engages with the collector to pay annually a fixed sum for the village or estate. This engagement rests on no better grounds than conjectural estimates, partial measurements, secret intelligence, or the realizations of revenue in former years. The Malguzar is thus bound to the state, and answerable in person and property, for a gross sum. All that he can collect beyond it is his own profit. He has, therefore, the strongest possible motives to wring the utmost from the cultivators, who, as we have seen, are thus absolutely left without protection.

But the Malguzar's own case (supposing him to be a real owner) is not much better. On each renewal of settlement, the land is put up to a sort of auction. The collector's object, at each interval, is increase on the former Jumma; and speculators, of whom many make it a regular profession, are thus encouraged to bid against the hopes and fears of the Malguzar. If the Malguzar decline taking the lands on the terms proposed, he is left without

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\* *Vide supra*, p. 143 and 161.

subsistence, and his lands are transferred to the possession of a stranger, or perhaps an adverse claimant, who will then find means to appropriate to himself the Malguzar's hereditary rights. If to avoid this predicament, the Malguzar engages for a Jumma beyond the capability of the lands, he subjects himself, on failure, to the imprisonment of his person, the sale of his effects, and the perpetual alienation of his tenure. In short leases, a Malguzar may therefore be said to live under the perpetual dread of total ruin. A longer lease is at best but a respite ; for the fatal period of renewal comes at last, with its fresh valuations, and arbitrary estimates, and renewed competition ; and whatever advantage, or comfort, he may derive from his estate, during the continuance of his lease, he must still live in the same dread of beggary and ruin at the expiration of his term.\*

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\* “ If the uncertainty of the demand be not remedied, a  
 “ long settlement will be only a respite from the disastrous  
 “ consequences which may ensue upon a new settlement,  
 “ when at last it may come, and the Zemindars must live in  
 “ constant dread and anxiety on the approach of that fatal  
 “ period.

“ The precarious condition of families upon such a tenure  
 “ is manifest. They would often, no doubt, rise to ease and  
 “ affluence during the long interval of exemption from en-



It would seem, indeed, at this time (1822) that little or no progress had been made in equalizing or regulating upon fixed principles, our system of land taxation, or in ascertaining and securing the precise rights and privileges of the occupants and cultivators of the soil. A revenue wholly dependent on the annual produce of husbandry sanctions, as it were, constant interference in the usual pursuits and occupations of individuals. We have here a first violation of the maxim “laissez faire.” Our adoption of the Moslem doctrine as to land and its produce being royal appurtenances,\* but claimed more as a right of property than as a tax, seems to have unsettled and obscured our notions of the more rational and intelligible rights of individuals. Whether the so-

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“crease; but when the expiration of the term should arrive, they would be reduced to comparative poverty and distress.

“With long settlements it is to be feared that prosperity and happiness might often be called into being, only to be annihilated by a new assessment. A new settlement might fall upon families as sudden ruin, reducing them from an ample to a scanty income, destroying the comforts and enjoyments which affluence had yielded, and repressing all the habits and notions which it had formed. Such a system might often operate as a confiscation or revolution.”

—Mr. Stuart’s Minute, 18th December, 1820.

\* *Vide Vol. I. p. 279, et seq.*

vereign be considered as proprietor of the land, or as chief proprietor of its produce, hosts of local agents must necessarily be employed to guard his rights, and to collect his dues. His interests are consequently a paramount consideration ; and when in process of time it was discovered that numerous individuals had a heritable and transferable property in the lands they occupied, another set of rights started into view, which it was necessary to reconcile with the indefeasible rights of the sovereign, but always in due subordination thereto. We had thus in fact two proprietors to the same estate ; and this double right of property became infinitely more complicated from the measures adopted to realize the sovereign's share. Farmers of the public revenue, Zemindars, Malguzars, and the purchasers of estates at public sales for arrears of revenue, became, in innumerable instances, proprietors of land under the sanction of existing laws, to the prejudice of its rightful owners, and the oppression of its cultivating tenants. What with the great proprietor—the sovereign,—and the lesser proprietor, Zemindar, Malguzar, &c.—the public exigencies of the one, and rapacious exactions of the other,—we frequently find the real owners of an estate, as under the Mussulman regime, reduced to become its cultivating

Ryots, or tenants. The latter, in such case, are considered as possessing a right of permanent occupancy, so long as the dues of the greater and lesser proprietor above-mentioned be regularly discharged. Hence another notion that government, in its meddling capacity, has a right to regulate the demands of the lesser proprietor from the land; so that a person acknowledged to have a right tantamount to that of fee-simple, is not suffered to make his own bargain with his own tenant; in other words, he is only suffered to demand such a rent from his own estate as shall be prescribed to him by a public law. It is true that the lesser proprietors have too frequently made a mockery of these laws, but not without causing great confusion and oppression. It is, moreover, well known to the higher authorities in India, that to adjust these conflicting rights and interests on equitable principles, requires a knowledge of tenures, and local usages, varying in various parts, as well as of the boundaries, situation, and infinitely varying productions of land, without which it would be impossible to allot to the parties interested their respective shares, or to distinguish by specific limits the exact rights of contending claimants. But this minute knowledge being absolutely unattainable by Government, we

find the public records full of anxious wishes for its acquisition, lengthy and verbose instructions to accomplish it, unremitting exertions by the ablest public servants to fulfil the expectations of Government, and the result repeated and universal failure.

In 1823, the doubts and uncertainties of 1793 were still prevalent ; the same inquiries remained to be made into local usages, rights, and resources ; revenue settlements as dependant as ever on conjectural estimates ; and the inferior classes of the agricultural community as little guarded against oppression. We had in fact no unerring data to work upon—no safe guide to direct our course. In the maturity of our administration—at least in 1823—as in its commencement, we had every thing of importance still to learn ; owing to an impracticable system in which the objects proposed to be accomplished, whether of strict justice, or pure benevolence, proved in practice to be a vain pursuit.

Notwithstanding all these recorded evils, the Court of Directors have invariably clung to the system of land revenue in India, as being of great antiquity ; consequently supposing, that at some time or other it must have been susceptible of order, certainty, and facility of execution, however defaced by the



excesses and anarchy of Mussulman sway ; and looking to it as the only means, in a country like India, whereby funds could be supplied for necessary disbursements. Their orders have, therefore, been uniformly directed, as well to its security, as to its encrease, in every way consistent with the rights and comfort of the people. It has hence followed, as not the least injurious of the effects of this system, that it binds down the energies of our ablest servants to the pursuit of an unattainable object. The difficulty of this system was well described by the Court of Directors in 1767, when they observed, (*Verelst's View of Beng. App.* p. 136.), “ The experience we  
 “ already have had in the province of Burd-  
 “ wan, convinces how unfit an Englishman is  
 “ to conduct the collection of the revenues, and  
 “ to follow the subtle native through all his  
 “ arts to conceal the real value of the country,  
 “ and to perplex and to elude the payments.” That this has been the characteristic of the system ever since, is abundantly evident from the writings of Mr. Shore,\* Lord Cornwallis, the

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\* “ Our administration has been fluctuating and uncertain.  
 “ An idea of improvement has been hastily adopted, un-  
 “ steadily pursued, and afterwards abandoned from a sup-  
 “ posed defect in principle ; new measures have been sub-

Revenue Board at Madras, Lord Hastings, and innumerable other official documents. To unravel the intricacies of the system on the one hand, to controul its abuses on the other, have always been fruitless attempts. Mr. Shore's writings, in particular, represent the whole country as in a singular state of confusion from these causes; and Lord Cornwallis, in despair of ever attaining a better knowledge of its real resources, advances it as a reason, coupled with Mr. Shore's representations, for immediately adopting the Zemindary arrangements.

From numerous other passages of a like import in Mr. Shore's minutes, Lord Corn-

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stituted, followed, and relinquished with the same facility;  
 " and the natives, from these variations, with every succession  
 " of men, expect a change of system.

" There is no country in the world, I believe, where the  
 " officers of government devote more time and attention to  
 " the discharge of public business than in Bengal. The  
 " official duties are inconceivably laborious to those who  
 " perform them with zeal and assiduity—an assertion which  
 " the public records will prove. But there are limits to in-  
 " dustry, and bounds to exertion. If too much be attempted,  
 " matters of great importance must be neglected. The con-  
 " troul of the Board of Revenue over the collectors, and that  
 " of the supreme power over them and all other departments,  
 " will alike prove ineffective, if their attention is dissipated  
 " in the minutiae of detail."—Mr. Shore's Min. App. 5th Rep.  
 p. 190 and 195.

wallis quotes the following. (App. 5th Rep. p. 486.), “ That it would be endless to attempt the subordinate variations in the tenures or conditions of the Ryots ; that it is evident in a country where discretion has so long been the measure of exaction, where the qualities of the soil, and the nature of the produce, suggests the rates of the rents ; where the standard of measuring the land varies ; and where endless and often contradictory customs exist in the same district and village ; the task must be nearly impossible ; that the collector of Rajeshahy observes on the subject, that the infinite varieties of soil, and the further varieties of value, from local circumstances are absolutely beyond the investigation, or almost comprehension, not merely of a collector, but of any man, who has not made it the business of his life.” When, therefore, such men as Mr. Shore (Lord Teignmouth), distinguished among the Company’s servants in India for his ability, experience, local knowledge, and zealous endeavours to promote both the Company’s interests, and the security and happiness of the people, are—with the convictions above described—still found to devote all the powers of their mind to perfect or improve a system, which sets human ingenuity

at defiance to accomplish either: when a body so experienced and distinguished, in another part of India, as the Revenue Board at Madras, should, so late as the year 1818, (*vide p. 115,*) declare the attempts made to ascertain the real resources of the country to be “altogether arbitrary and unsatisfactory, “hastily performed and badly executed; existing only in the accounts of the collector’s “Cutchery, and never adopted or followed “by the people,” yet still persevere in efforts to the same end: and when the exertions and schemes of our ablest and most humane collectors are thus proved to be labour in vain, we must necessarily conclude that, as long as this system of land revenue is required by orders from England to be enforced; that as long as it is regarded with mistaken favor, merely because it was the system of our Mahomedan predecessors; and that it be looked to as the only means whence funds can be supplied to discharge indispensable expenses; —all the talent and zeal, and benevolence of future courts, and future servants, will, like the past, continue to be wasted on impracticable projects to equalize the rates of taxation; to reduce them to a just, and really moderate standard; to determine and secure individual rights; to protect the lower classes against



oppression : or to controul abuses, of which the great majority of cases never will, because they never can, reach the ears of those who are empowered to redress them.

But besides the impracticability of our Indian system, its instigating all classes of the Company's servants, from local collectors up to the government itself, to hasty augmentations of the public impost, is here peculiarly fatal. The disposition to encrease revenue is no doubt common enough to all human governments ; but in countries taxed, for example, like England, additional burdens are always professed, and generally sought, to be imposed in the way least onerous to the community at large. But this is an alternative of which India is deprived. In India, from the system we have adopted, one only source of taxation is presented—land ; and to overload agricultural industry in a country not yet, or but little, advanced (like our eastern possessions) beyond the art of raising raw produce is to make certain provision for its stationary, if not retrograde, condition ; to shut out every chance of improvement, and to oppose the most effectual barrier that can be applied to the natural progress of human prosperity.

Of all the effects too resulting from this destructive system, there is none more obvious than its preventing the possibility

of accumulating capital ; through which alone can the agriculture of the country be improved. At present, the stock of a Ryot consists of a plough not capable of cutting deep furrows, and only intended to scratch the surface of the soil, with two or three pairs of half starved oxen. This, a sickle used for a scythe, and a spade or small hoe for weeding, constitute almost his only implements of husbandry. Faggots of loose sticks bound together serve for a harrow. Carts are little used in a country where there are no roads, or none but bad ones. Corn, when reaped, is heaped in a careless pile in the open air to wait the Ryot's leisure for thrashing ; which is performed not by manual labor, but the simple operation of cattle treading it out from the ear. A Ryot has no barns for stacking, or storing, grain, which is preserved, when required, in jars of unbaked earth, or baskets made of twigs or grass. The cattle are mostly fed in the jungle, or common waste land adjoining his farm, and buffaloes, thus supported, generally supply him with milk. Horses are altogether disused in husbandry. The fields have no enclosures. Crops on the ground are guarded against the depredations of birds and wild beasts by watchmen, for whose security a temporary

stage is erected, hardly worth a shilling. Irrigation is performed by means of reservoirs, intended to retain the water periodically falling from the heavens, and of dams constructed or placed in convenient situations. In some places, water is raised from wells either by cattle, or by hand. A rotation of crops, on which so much stress is laid in Europe, is unknown in India. A course extending beyond the year is never thought of by Indian Ryots. Different articles are often grown together in the same field, in which the object always is to obtain the utmost possible produce without the least regard to the impoverishment of the soil. The dung of cattle is carefully collected for fuel after being dried in the sun, and never used for manure. Oil cake is used for manure in sugar-cane plantations, and for some other articles ; but corn-fields are mostly left to their own natural fertility, and often worked to exhaustion without compunction. In some situations near the sea, decayed fish is used as a manure for rice-grounds ; but it is seldom permitted where authority can be interposed, as the stench of it is intolerable.

In a country like India, where the heat of the climate is great, the construction of

tanks, or wells, for the purpose of irrigation, is one of the most useful purposes to which agricultural capital can be applied. Wells and tanks are sometimes constructed, or repaired, by the labour or industry of Ryots, but most commonly at the expense of Government. It has been remarked that where Zemindars have been enabled to accumulate gains, they never apply them to the improvement of lands subject to the public revenue. Where Zemindars have been known to construct works of the above description, they are merely designed to increase the fertility of lands held free.

But generally speaking, so entire is the want of capital in India, as well in arts and manufactures as in agriculture, that every mechanic or artizan not only conducts the whole process of his art, from the formation of his tools to the sale of his production ; but, where husbandry is so simple a process, turns cultivator for the support of himself and family. He thus divides his time, and labor, between the loom and the plough; thereby multiplying occupations fatal to the improvement of either.

In this universal state of poverty, manufacturers always require advances of money to enable them to make up the article in de-



mand ; whilst Ryots have frequently been known, sometimes for anticipated payments, and sometimes for their own expences, to borrow money on the security of growing crops at 3, 4, and 5 per cent. per mensem.

No fact is perhaps better established in political economy than that industry cannot, in any of its branches be promoted without capital. Capital is the result of saving from annual profits. Here there can be none. A dense or rather redundant population occasions in India, as in Ireland, a competition for land ; because, in a nation of paupers, land is indispensable as a means of existence. It is therefore at times greedily sought for in India, notwithstanding the exorbitance of the revenue chargeable thereupon, for the same reasons that small portions of land in Ireland are occupied under payment of exorbitant rents to landlords ; and this extension of cultivation in India is often mistaken for an encrease of prosperity, when, in fact, it is but the further spreading of pauperism and want. Hence the acquisition of capital in India, by the cultivators of the soil, is absolutely impossible. Either the revenue absorbs the whole product of industry, except what is indispensable to preserve the workers of the hive from absolute starvation ; or it is engrossed

by a Zemindar, or farmer, who will not re-apply his gains to the improvement of lands within the power of a tax-gatherer's grasp.

In this series of proceedings, effects are presented to our notice deserving the most serious consideration. It is clear, that whenever the wants of Government, real or imaginary, may call for increased supplies, recourse will be had to the "*improvement*" or extension of an impost already almost intolerable. It is in fact the only available resource. Universal poverty leaves no other. Measures will therefore be multiplied for assessing wastes ; for resuming rent-free lands ; for invalidating former alienations ; for disputing rights which had been allowed to lie dormant for half a century ; for increasing the aggregate receipts from lands already taxed, or supposed to be taxed, at 50 per cent. of the gross produce—in short, for the most harassing and vexatious interference with private property, and the pursuits of private industry. Every improvement or extension of agriculture is thus sure to be followed, sooner or later, by the graspings of the tax-gatherer. Industry, therefore, will be effectually checked, or only prosecuted where the demands of Government may chance through bribery, fraud, or concealment to be eluded. Or, if the necessities of

human life, or increased population, should occasion agriculture to be extended to waste lands, to be thereafter taxed at “*the just amount of the public dues,*” what is it but the further spread of pauperism and wretchedness ?

Under these circumstances to profess an anxious desire to promote general prosperity, to augment the comforts or protect the rights of the people, when our acts and deeds thus belie our avowed intentions, is but to arm the intensity of disappointment with a keener sting. Every new act of the Government will be viewed as a portentous omen of increased burthens. A collector, raised to the judicial bench, with leanings highly proper for him to entertain as guardian of the public revenue, or as an advocate, becomes, in his capacity of judge, an object of suspicion and distrust. Confidence and attachment,—the great bulwarks of national prosperity—will thus give way to a sense of injury and wrong ; and no feeling of injustice is more irritating to the mind than that which a people suffer at the hands of their rulers. It rouses the most submissive and peaceable of mankind to acts of secret opposition, or open violence. Government, under these circumstances, may be feared, but it is also hated. Its ordinary measures, wanting aid and efficiency from popular concurrence, are thwarted or opposed. Dominion is held by

a thread ; a thousand accidents may snap it ; and every infusion of fresh vigor to restore a fallen, or to prop a tottering, power only aggravates the recollections of its past injustice. A late French writer, describing the sufferings which an oppressed people endured at the hands of their local rulers, has well observed, “ L’injustice les a revoltés. Reduits au desespoir par ces magistrats memes, leurs naturels appuis, opprimés au nom des lois qui doivent les protéger, ils ne connaissent plus de frein, parceque, ceux qui les gouvernent n’ont point connu de mesure.” \* The Edinburgh Review, wherein this passage is also quoted, remarks on it, that it is a lesson to all rulers, and applicable to every people.

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## SECTION X.

Decoity, or Gang-robbery.

IN the preceding pages I have, more than once, adverted to the circumstance of the inhabitants of India being driven by oppression to join associations of public or gang-robbers. The armies of Pindaries, which lately required so large a British force to put down, were supposed to have been recruited, in part, from the population of the Company’s own dis-

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\* Œuv. de P. L. Courier, tom. i. p. 98.



tricts ; persons, whom misery, and want had forced to quit the habitation of their fathers. Gang-robbery, therefore, as before observed, (*Vol. I. p. 260.*) was common, under different denominations, to many parts —almost, indeed, the whole of the interior—of India. But in no part has this practice prevailed in greater excess, and cruelty, than in the lower provinces of Bengal ; and, what is still more remarkable, in the districts immediately adjoining the seat of the supreme government, where it is known by the term “Decoity.”

The crime of Decoity is of great antiquity in Bengal ; probably as old as the oppressions which gave rise to it ; and to guard the inhabitants generally against the cruelties and atrocities of Decoits, a very numerous and powerful establishment was formerly kept up, and placed under the orders, or subject to the disposal, of Zemindars, who were then considered responsible for the crimes committed within their respective circles. It will give the reader some notion of the magnitude of the crime itself, the terror it universally inspired, and the power required to repress it, by laying before him an official statement of the police establishment in one district only, Burdwan, the capital of which is only about 60 miles N.N.W. of Calcutta.

It appears, then, by a letter of the magistrate, of the 12th of October, 1788\*—that is, a short time previous to the introduction of Lord Cornwallis's Permanent Settlement—that the Zemindar had, at his command, a police establishment consisting of Tannahdars, or chiefs of police divisions, under whose immediate orders were stationed in the different villages, for the protection of the inhabitants, to convey intelligence to their chiefs, or Tannahdars, about 2400 Pykes or armed constables. But the principal dependence of the inhabitants for protection was, it appears, on the Zemindary Pykes, whom the magistrate represents to have been no less in number than 19,000, and at all times liable to be called out on police duties.

Here, then, we have an army—independent of the superior officers in employment—of about 22,000 men, to guard a district 73 miles long by 45 miles broad. How many of these were real protectors and guardians of the public peace, and how many plunderers for their own benefit, the reader may, from the facts before him, now judge for himself. It is clear that Lord Cornwallis thought them a mischievous crew; for, on the introduction

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\* Vide, 5th Rep. p. 71.

of his Permanent Settlement, he abolished the native police establishments throughout the country; taking police jurisdiction out of the hands of the Zemindars, and transferring it to the European magistrates, with Daroghas, &c. (*Vol. I. p. 361.*) under them.

The new police establishments, however, were every where inefficient. The crime of Decoity encreased prodigiously. It seems to have been successfully prosecuted, and almost with impunity, till the year 1808. In this interval the cruelties and atrocities recorded of Decoits would make the coldest heart shudder. Murder, robbery, rape, and torture, in their most barbarous and ferocious shapes, were the constant practice of these Decoits. Nothing was more usual with them than to bind up persons in straw, hemp, or quilts, moistened with oil, and to burn them alive to force a disclosure of hidden treasure. Their depredation and cruelties were everywhere of the same character; and distinctly avowed by the Supreme Government not to have been confined to particular districts, but committed, with few exceptions and slight modifications of atrocity, in every part of Bengal.\*

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\* Letter from Bengal Government to the Court of Directors  
29th May, 1810.

In 1808 this tremendous evil was somewhat checked by the vigilance, and activity, of a magistrate, Mr. Blaquiere, who was appointed to this express duty, under the denomination of Superintendant of Police ; and authorized, on a plan and suggestion of his own, to employ spies or informers, termed Goyendas, under overseers named Girdawars, to detect the secret haunts of the Decoits, and to assist in their seizure. By these means, (although the principle was seriously objected to by several of the Bengal servants) Mr. Blaquiere succeeded in seizing some of the most notorious offenders, who, of course, underwent the just punishment of their crimes ; but Decoity itself was not suppressed. Among the numerous complaints on record, of the continued existence of Decoity, it may be sufficient to quote one from the report of the 3d Judge of the Calcutta Circuit of the 13th June, 1808, in which he says— “ That Decoity is very  
 “ prevalent in Rajeshahye has been often  
 “ stated ; but if its vast extent were known,  
 “ if the scenes of horror, the murders, the  
 “ burnings, the excessive cruelties, which are  
 “ continually perpetrated here, were properly  
 “ represented to Government, I am confident  
 “ that some measures would be adopted to  
 “ remedy the evil ; certainly there is not an



“ individual belonging to the Government  
 “ who does not anxiously wish to save the  
 “ people from robbery and massacre ; yet the  
 “ situation of the people is not sufficiently at-  
 “ tended to. It cannot be denied *that, in*  
 “ *point of fact, there is no protection for persons*  
 “ *or property*; and that the present wretched,  
 “ mechanical, inefficient system of police is a  
 “ mere mockery.

“ Such is the state of things which prevails  
 “ in most of the Zillahs of Bengal; but in this  
 “ it is much worse than in any other I have  
 “ seen. I am fully persuaded that no civilized  
 “ country ever had so bad a police as that  
 “ which Rajeshahye has at present.”\*

So late, moreover, as the 20th October, 1824, the Court of Directors, in their letter to the Bengal Government, express themselves sorry to find that heinous crimes had been committed in the lower provinces in 1819, to a greater extent than in 1818—“ The number  
 “ of Decoitys (they add) attended with tor-  
 “ ture, or wounding, encreased from 48 to 84;  
 “ and the total number of Decoitys from 217  
 “ to 336. There was also a great encrease of  
 “ robberies and thefts of various kinds, at-  
 “ tended with murder and wounding.”†

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\* 5th Rep. p. 586.

† Beng. Judic. Selec. Vol. IV. p. 11.

Down, therefore, to the period here mentioned, we have recorded proof of the continued existence of Decoity in the Bengal provinces to a most distressing extent, notwithstanding all the measures and expedients which had been resorted to, for twenty preceding years, to suppress it.

Of Goyendas, and Girdawars, I find nothing stated in the later records now in print; but in 1810, it was proved against several of these spies and informers, that they had availed themselves of their employment to practice extortion on the inhabitants—sometimes to prefer groundless charges, and support them by false evidence, in order to get the reward granted on the conviction of offenders—sometimes to participate in the plunder of avowed Decoits—and sometimes to commit in person the very enormities which they were engaged to suppress. Still the Bengal Government thought this a lesser evil than the atrocities previously practised by Decoits; and Goyendas were, therefore, at this time, continued, or rather endured, as the only hope that presented itself of being able to free the country from gangs of still more cruel monsters.

Of the state of the provinces here adverted to, the reader may also judge, from another fact recorded in Mr. Secretary Dowdeswell's

report of the 22d Sept. 1809, on the general state of the police in Bengal. Speaking of our own Daroghas, or police officers, who appear to have been vested with powers equal to those of a justice of peace in England, he describes them as an actual “*pest to the country, from their avarice and addiction to every species of extortion.*” Though vested with such important powers, they are represented as persons possessing no previous instruction as to the nature and extent of their duties; nor habits of life which would fit them for the performance of those duties with effect. Their agency in furnishing information is also stated to be ineffectual; and the crimes, committed by themselves numerous. “By an abstract (Mr. Dowdeswell observes) which I caused to be prepared from the records of my office, it appears that 84 Daroghas were dismissed from their offices for misconduct between the 1st of January 1808 and the 31st of August 1809; and that seven of those persons were ordered to be tried before the criminal courts on account of the aggravating circumstances with which the offences committed by them were attended.

“The number of persons so punished will doubtless appear considerable; but great as it is, I believe it bears no more propor-

“ tion to the number of offences actually committed by the Darogahs, than the number of crimes reported by them bears to the number of crimes actually perpetrated within the limits of the different Tannahs.”\*

Frightful as this state of society must have been, with one expedient after another aggravating (as indeed is generally the case) the evil they were intended to cure, it does not appear to have attracted any marked attention on the part of Government till the year 1808; although Decoity had encreased both in frequency and enormity, ever since the year 1792. Neither does it appear that any fixed notions were entertained as to the real cause of so enormous an evil. When Decoity in one season was more prevalent than in another, we find it ascribed to a scarce crop, release of ordinary prisoners from confinement, absence of magistrates, or want of European assistants; and sometimes, for want of better reasons, to general defect of the system; to anything, in short, but a permanent cause. In reports unconnected with Decoity, we have frequent intimations of the poverty of the people, leading them to the commission of great crimes; and of the pressure of revenue, and the exaction of revenue servants being the occasion of po-

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\* 5th Rep. p. 612.



verty.\* But in treating of Decoity it has never, that I know of, been connected with the revenue systems of India, as effect and cause, although the connection would seem to be obvious, and easily traced.

In many instances, Decoitys have been committed by ousted Zemindars, whose estates had been sold for arrears of revenue and who took these means to revenge themselves on the purchasers; in other instances by Ryots driven to it by extreme poverty.†

No stronger collateral proof can, perhaps, exist of the heavy pressure of financial rapacity, restraints on industry, and misery and starvation, than the circumstance of individuals being driven, by their agency, to practise enormities so unnatural, and so opposed to all the habits of civilized life. Throughout the whole period of the Mahomedan government in India, gangs of robbers infested every

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\* In a report of Mr. Secretary Dowdeswell, of the 22nd Sept. 1809, 5th Report, App. 12, there is a list of 33 Decoits brought to trial before the Nizamut Adawlut. Of these, 14 were cultivators and labourers, with 2 beggars, and 11 Chokeydars and Peons, or police and revenue officers. The cultivators, labourers, and beggars, may easily be accounted for; of the Chokeydars and Peons we can only presume that their share of official perquisites did not equal their expectations; and therefore, that they had recourse to more speedy methods of enriching themselves.

† *Vide supra*, p. 64.

part of the country ; and wherever our dominion has been extended the practice is still found universally prevalent. From the long habit of predatory association, and each assuming, or being known by, a certain name, they have generally been considered as distinct tribes. But oppression and want first drove them to the jungle ; where their ranks continue to be recruited by the destitute, and desperate, of all castes. And if these causes have invariably produced these effects in other parts of India, \* how comes it to pass that in the fertile plains of Bengal, with a population perhaps the most submissive and timid in all Hindostan, Decoity should continue to rear its terrific head, in spite of all the expedients and contrivances set on foot to suppress it ? If Mahomedan exactions in Bengal gave birth to Decoity, our adoption of the Mahomedan system is a sufficient and obvious reason for its continuance under our administration. We need seek for no other cause. It is no answer to this argument, to say that the revenues of Bengal now bear light on all classes,

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\* For the general prevalence of gang-robbery throughout India, *vide* Vol. I. p. 260—266, and the authorities there referred to.

and are easily collected ; therefore the pressure of the revenue can no longer be considered as a cause of Decoity. I have shewn, in a former Chapter (*Vol. I. page 591*) that some improvement has taken place in the state of Bengal, and pointed out what I conceive to be its real cause ; but the quotations I have given from official records prove incontrovertibly, that the Ryots are, down to the present hour, as much harassed, oppressed, and drained, as ever ; and it is also true, that Decoity having grown up through a course of ages into a settled habit and pursuit, the country, in which it prevails, might go on advancing in prosperity, through several generations, before it is finally suppressed.

Meanwhile the existence of the evil is undeniable ; our own records down to a late period proving it to be as prevalent, even in our best and most fertile districts, and as little susceptible of remedy, as in the days of Musulman sway, when it is recorded by their own historians that intolerable exactions caused Ryots to abandon their lands in despair, and to turn robbers for want of employment. \* When Hanno sent forth his flocks of starlings to proclaim him as “ Deus Hanno ”

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\* *Vide Vol. I. p. 625.*

through the woods and wilds of Africa, he merely gratified a ludicrous and contemptible vanity. But the thousands, and tens of thousands, of human victims which the revenue systems of India have driven forth, either individually, or as associated bands, into its jungles and mountains, are there, not to raise the voice of adulation and praise, but to wail, from generation to generation, over the injustice, and oppression, which first expelled them from their homes, to seek a precarious subsistence, by means abhorrent to their nature, and which can only be reconciled to their minds by the gratification it affords, when wreaking a merciless vengeance on their oppressors.

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## SECTION XI.

Various opinions in India as to the right of property in land. Importance of this question. Mussulman law of conquest, and of property thereon founded.

AN important consideration connected with this question remains to be noticed; and that is, the effects which have been produced on landed property in this great region of the world.

In the course of this work, the facts adverted to have more than once led us to



notice violations of private property, and of individual rights, as consequences of our financial system. The magnitude, however, of this evil, with its long train of injuries and injustice, is such as to demand a separate and detailed discussion. It may also tend to explain the difference of character between Indians, and Europeans of the present day, treated of in *Part II.*; but which I have purposely reserved for this place, on account of its intimate connexion with the Revenue systems of the East.

In the financial enquiries which have been prosecuted with great diligence and ability in India, the nature, and basis, of landed tenures—in other words—“Who is the rightful proprietor of the soil?”—is a question which has excited deep research, and much argumentative disquisition. Some have contended for the Sovereign alone, as the rightful proprietor of all the lands of his dominion; others, for the Zemindar; and others, for the humble Ryot. It is not my intention to examine the merits of the arguments used on either side; but merely to advert to facts which are of importance to be considered in the question we are now discussing, and which will enable us to compare the nature of landed tenures in India with those which

existed in the earlier periods of European history.

The great importance of this question will be further manifest, when it is remembered, that we have been legislating on landed tenures, and landed rights, in India, for upwards of half a century, under the guidance of treacherous lights, which hitherto have only decoyed us into the mire of error. We have been anxious to extend protection to those who are most exposed to the graspings of violence and oppression; but to this hour, are our labours mere groping in the dark, ignorant of the precise nature of that which we are most anxious to shield from injury and wrong.

All that we certainly know is—

First, that the wants of government in India, as matters now stand, can only be supplied from a land revenue. Hence, the current doctrine of the sovereign being sole proprietor of the land, came to be at first encouraged and confirmed; until latterly, modified into an asserted right to certain, though undefined, portions of its annual produce.

And, Secondly, that certain classes of inhabitants have, (as we have of late years ascertained,) indefeasible rights in the soil, which the violence of seven centuries of Mus-

sulman sway have not altogether annihilated ; but of which, the precise nature, extent, or limitation, is, to this hour, a problem to be solved in Eastern finance.

Seeing, therefore, as we have done, through a glass darkly, law after law has been enacted to correct evils, by temporary expedients, as they have presented themselves to observation, and multiplied upon our path. But, being founded on fallacious views of their own object, and coupled with the operation of the system adopted to ensure the collection of an exorbitant revenue, confusion has been very generally the result, and extreme and extensive oppression, under the cloak of that system, and of those enactments, which we have avowedly passed for the protection of the lower orders.

It has been already remarked that the northern hordes, who over-ran Europe, differed very little, if at all, in any thing but religion, from those who desolated the plains of Hindostan. The latter had embraced Islamism previously to their irruptions into the South ; and, with the religion, of course all the laws and tenets, of Mahomed. In other respects, some similarity may be traced in the social institutions in force, in these two distant quarters of the world ; more especi-

ally as regards landed possessions ; and if my opinions are well founded, it will be seen that we have here additional proof of the marked difference of character, state and condition, between Indians and Europeans, being mainly ascribable to the causes assigned in *Part II.*, viz. the long prevalence of despotic sway over minds sunk, through its ceaseless exercise, in ignorance, superstition, and slavery.

According to the Mussulman law, warring against infidels is expressly and repeatedly enjoined, as being of high merit in the sight of God ; whose will it is represented to be, that infidels should be unmercifully slaughtered ; whilst the warriors, who go forth to this work of blood, entitle themselves to the highest rewards of heaven. These merciless conquerors soon discovered that, to cut off the inhabitants of a country root and branch, was not the best way of rendering their conquests profitable ; wherefore the law, as before-mentioned,\* empowers them to reduce conquered inhabitants to slavery, or to settle them on the conquered lands, as Zimmees (infidel subjects), on condition of their paying the Khuraj, and capitation tax. Whatever

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\* *Vide Vol. I. p. 324.*



was done, however, in this respect was only done to the Moslems' own advantage; for it is not to be supposed, that the rights and interests, the liberties, or even lives, *per se*, of conquered idolaters, would be of any estimation in the minds of zealots, who from precept, education, and habit,\* were taught to hold them in utter abhorrence and contempt.

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\* In the 47th chapter of the Khoran, entitled "Mahomed," but by some entitled "War," which it commands to carry on vigorously against the enemies of the Mahomedan faith, *i. e.* infidels, and paradise the reward, is the following passage.

"When ye encounter the unbelievers, strike off their heads until ye have made a great slaughter among them, and bind them in bonds, and either give them a free dismissal afterwards, or *exact a ransom*, until the war shall have laid down its arms. This shall ye do. Verily if God pleased he could take vengeance on them without your assistance, but he commandeth you to fight his battles."

In another place, treating of unbelievers, the Apostle enjoins: "Strike off their heads, and strike off all the ends of their fingers. This shall they suffer because they have resisted God and his apostle." Those who are backward in going forth to fight on these occasions are at the same time threatened "with the indignation of God; their abode shall be hell; and an ill journey shall it be thither."

In numerous other parts of the Khoran are unbelievers denounced as an accursed race, labouring under the wrath of God, and for whom is prepared the fire of hell. "Kill them wherever ye find them, and turn them out of that whereof

From these premises, there are commentators who infer that the Ryots of India, being thus settled on the lands, became the actual "*proprietors of the soil for ever, and may not be disseised of it without their consent so long as they pay the land-tax.*"\* In this case the sovereign was only thought to be entitled to the Khuraj or land tax; and even to hold the Khuraj as trustee for the people; having no right to alienate by gift, grant, or transfer, any portion even of the Khuraj, except in favour of persons entitled by law to share in it.†

"they have dispossessed you; for temptation to idolatry is more grievous than slaughter. This shall be the reward of infidels."—(Khor. vol. i. chap. 2. p. 32.) Again—"Verily those who disbelieve our signs we will surely cast to be broiled in hell fire. So often as their skins shall be well burned, we will give them other skins in exchange, that they may taste the sharper torment. They shall be the fuel of hell fire."—Khor. vol. i. p. 96 and 52. *Vide also Vol. I. p. 323-4.*

\* Obs. on Law and Constitution of India, p. 40. This, however, is only the comment of Aboo Huneefa. Three other commentators of the Soonee sect,—viz. Imaun Shaufae, Imaun Malik, and Imaun Humbal, all deny the right of property in the soil to be vested in conquered inhabitants. Conquered lands, they say, should be partitioned among the Moslemeen conquerors, and held for their benefit, or for that of the state.

† The persons enumerated as entitled to share in the Khuraj are soldiers, Kazees, Mooftes, teachers, collectors of

But this conclusion, however plausible, or calculated to support one side of a debated question, is inconsistent with other parts of the Mahomedan law. Of what value, for example, would even a formal declaration of perpetual proprietorship be to Ryots, when, by the very act of a fresh conquest, every right and interest, which they before possessed, is by law declared to cease and determine? — when the conqueror is authorized by the same law, at his own will and caprice, to carry the inhabitants into captivity, or to enslave them, or to suffer them to remain on the lands; or to remove them altogether, and to place another people in their stead? We are moreover informed by the same author, that “although the Mohamedan law declares the  
 “ property of lands to vest in the cultivator,  
 “ it still allows the sovereign to eject the cul-  
 “ tivator who does not cultivate, and give his  
 “ lands to another.”\* To call this property —

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revenue, police officers; in short, all public functionaries, and learned or holy men. Another curious clause in their boasted law is, “ that the sovereign cannot make a *donation* of the  
 “ Khuraj of the lands of an individual, *to the owners*, unless  
 “ the donee be of those to whom the law assigns a public  
 “ maintenance.”

\* Obs. on Law and Constitution of India, p. 48.

to ascribe to such settlements either perpetuity, or even permanency, is really an abuse of terms. In the multiplicity of claimants, too, above enumerated it might puzzle the ingenuity even of a Mussulman casuist to say in whom the right of property pre-eminently vested. The sovereign, on the other hand, wisely concluding that what is every body's is nobody's, cuts short all dispute by taking the whole to himself.

Since then the law pretends, that, whenever a Mohamedan army conquers a province by force of arms, all private rights shall cease, and become vested in the conqueror,\* a Ryot's tenure of land, in India, so far from being a perpetual right, had not the certainty of a single day's duration; for not only was every new reign a fresh conquest of the empire at large — the throne itself being the prize of the strongest sword—but the separate provinces were constant objects of contention among independent or refractory chieftains, and continually changing masters “by force of arms.” Is it therefore reasonable to suppose that atrocious despots, like the Mogul emperors, and viceroys, of Hindostan, who cared so little for the blood of fathers, sons,

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\* *Vide Vol. I. p. 319.*



and brothers—who set the laws of family inheritance at nought—would have the least regard for other laws beyond what might serve their own views? or for the interest or condition of subjects whom they held in as little estimation as the brutes of the creation, whose only utility in this life, was subservience to the pleasures or ambition of the Moslem rulers, and the flames of hell their inevitable doom in the world to come? Whatever construction, therefore, may be put by commentators, or advocates, on the law itself, the right of property in the soil was always virtually held, and exercised, in India by its Mussulman rulers. Ryots were suffered to remain in quiet possession, because the produce of their annual labors was indispensable to the wants of the state. Necessity on both sides was the only real tie between the parties; and no man acquainted with the state of India under the Mussulmans can, for a moment, pretend to assert, that law would protect a Ryot, in his supposed “perpetual right,” who, through caprice or otherwise, had been ousted by a despot ruler. We know, on the contrary, from authentic records, that thousands, aye millions, of wretched beings, have been driven from their ancient possessions by the rigors of Mussulman sway;

and that in provinces which have fallen into our hands, the more extensive occupants of lands, such as Zemindars, &c., only owed their continuance in office, or in possession, to the power of their own swords.

A proof of this right of property being practically considered as an appendage of Mussulman sovereignty is, that the British Government considered itself as succeeding to the same right in all the possessions it had acquired in India, whether by cession, or direct conquest. That this was a hasty assumption of right may now be more than doubted. That it is nevertheless, the plain import of Mussulman law, and the common practice of Mussulman sovereigns, is certain; and being a sovereign right, it may still be contended that, according to the law of nations, it naturally, and legitimately, fell to us on our succeeding to the sovereignty. But it is the *Mussulman* law of conquest; it is peculiar to the ferocious bigotry of that code; and if the laws of nations, as practised among civilized states, had been consulted, it would have been seen, that, though conquest gives to the conqueror the rights which appertained to the dethroned sovereign, still that law only contemplates such rights as are consistent with the principles of humanity and justice,

Of such a law, as the one we are now discussing, Vattel observes, “ some have dared to  
 “ advance this monstrous principle, that the  
 “ conqueror is absolute master of his con-  
 “ quest, that he may dispose of it as his pro-  
 “ perty, treat it as he pleases ; and hence  
 “ they derive one of the sources of despotic  
 “ government. But enough of those who re-  
 “ duce men to the state of transferable goods,  
 “ or use them like beasts of burden, who de-  
 “ liver them up as the property or patrimony  
 “ of another man ; let us argue on principles  
 “ countenanced by reason, and becoming hu-  
 “ manity.” He then proceeds to shew, that a  
 conqueror should rule his conquest according  
 to the ends for which civil government is es-  
 tablished. “ A generous conqueror will apply  
 “ himself to relieve his new subjects, to alle-  
 “ viate their condition ; he will think it his  
 “ indispensable duty. Happily sound politics  
 “ here, and every where else, coincide with  
 “ humanity. What fidelity, what assistance,  
 “ can be expected from an oppressed peo-  
 “ ple ?” This argument is illustrated by the  
 interesting answer of the ambassador from  
 Privernum, “ who on being introduced to the  
 “ Roman Senate, the consul said, ‘ If we shew  
 “ ‘ you clemency, what stress may we lay on  
 “ ‘ the peace you are come to ask ?’ The am-

“bassador replied, ‘If you grant it on reasonable conditions, it will be safe and permanent; otherwise it will not last long.’\*  
 “Some took offence at the boldness of this speech, but the more sensible part approved of the Privernican’s answer, as having spoken like a man and a freeman.”†

On what ground, therefore, of justice, or sound policy, this right was assumed by the Company’s government, it may be difficult to explain. That it was the law, and the practice, of our predecessors, no one can doubt; but no one can also doubt the monstrous injustice of appropriating conquered lands, and conquered inhabitants, as moveable prize property; and transferring them, like beasts of the field, in free gift, as in some instances; and, for a price, as in others. Yet all this was done in the arrangements of the Zemindary,

\* *Quid si poenam (inquit consul) remittimus vobis, qualem nos pacem vobiscum habituros speremus? Si bonam dederitis, inquit, et fidam, et perpetuam, si malam haud diuturnam.*—Vatel, p. 356-7.

† The story in Livy (whence Vatel takes it) is, that the Privernicates were first asked what punishment they deserved for their revolt? to which the Ambassadors replied — “What those deserve who deem themselves worthy of liberty.” And it is added in Livy, that for this answer they had the freedom of the city granted to them by a vote of the people.



and Mootahdary, settlements; whilst the principle of the proprietary right of the sovereign is maintained in all our other revenue arrangements.

Upon the establishment of Courts of Justice in India, the Mahomedan law was still more extensively adopted, and held to be the rule of conduct for all the authorized native courts, subject to such modifications and improvements as the supreme government might think it expedient to authorize.

Although it was the law of our predecessors, still it was the law of only a fifth, or a sixth, part perhaps of the whole population of the countries we now govern. The remaining four-fifths, or five-sixths, had laws and usages of their own; which the Mahomedan code never did, for it never could, entirely supersede; and if conciliation was the object in view, it must surely be thought an odd way of conciliating the great mass of our subjects, to avow our predilection, and to adopt for their government, a system of laws, or any portion thereof, which openly condemns them to murder and slavery in this world, and to reiterated burnings in the next, that they may there “taste of sharper torments”—laws for which the Hindoos, in the daily course of their administration, could not

possibly have either “veneration,” or common respect ; for, even under the Mahomedans, matters of a spiritual nature, and of property, between Hindoo and Hindoo, were appealed to their own Pundits. Criminal cases, and cases of property, where one party was a Mussulman, were alone decided in Mahomedan Courts ; and in these trials it may well be conceived that a Hindoo’s chance of success depended wholly on the liberality of his bribe.

But to return to the particular law here treated of. Being a law of conquest, or of war, it is, as before observed, properly an inter-national law. Authors and commentators have, however, treated it as if it were an ordinary civil or municipal law, which every government has a right to impose on its own people ; as if the self-styled apostle had as good a right to legislate for the whole world as for his own followers. But being in fact a law of nations, to be valid as such, or obligatory on other states, it must be consistent with the laws of nature, of natural justice, of moral obligation. Wanting these, it is a dead letter. Brute force may impose it for a while, like other acts of violence, where there is no alternative but to submit ; but a law, like this, directed against other people, and

violating every principle of natural justice and humanity, ought never to have received a moment's consideration among civilized communities.\*

The assertion, however, of this right of property, as an attribute of sovereignty, has given a character to landed tenures in India, which, as bearing on the present question, and as compared with other countries, deserves to be further noticed.

Of the Ryots, enough has been already said to prove, that however favourably the Mahomedan law may be construed, as regards their supposed legal rights, their actual condition and fate have been that of unmerciful oppression — massacred by thousands, and hundreds of thousands, in bigotry, or in cold blood — hunted down like beasts

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\* It is a singular fact that we should so readily have adopted Mussulman principles, and Mussulman systems, for the government of our subjects in India, when it appears to have been the policy of this country, for at least the two last centuries, to stipulate in express treaties with the Mussulman government of Turkey — a fac-simile of that of Hindostan — that our subjects residing there should live under the exclusive jurisdiction of our ambassadors and consuls; it being thought that, without this exemption from Turkish rule, no civilized merchant, possessed of capital, would dwell in a country subject to so barbarous a code.

of prey — exposed to the constant ravages of hostile armies — driven to the voluntary destruction of themselves, their wives, and children to avoid a more cruel fate — expatriated, as Wulsa, to be starved in the jungles—forced by the severities of their fate to become Pindaries, Decoits, or public robbers; or, if suffered to remain on their lands, subject to the covetous exactions of those who were placed in authority over them; and, in the enforcing of these exactions, to every species of indignity and torture. To talk of rights, where these atrocities were commonly perpetrated, is to make a mockery, not only of justice, but of common sense.

The author of the *Observations on the Law and Constitution of India*, mentions four tenures in Bengal, as “rent-free tenures;” the *Altumgha*, *Muddud Maash*, *Ayeema*, and *Jagheer*.\* These are obviously of Mussulman origin, but described by the author as illegal and fictitious claims, which have been erroneously recognized by the local governments of India. The *Jagheer*, being most extensive, is, of course, the most important. Although *Jagheers* were frequently granted by the Moghul emperors to favourites, and for various pur-

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\* These tenures, or appropriations, of land are briefly noticed before. *Vide supra*, p. 29.



poses, they were chiefly considered a military tenure, binding the Jaghiredar to the support of a certain number of troops. Under the Mahomedans they were only known as life-rent tenures ; and in the institutes of Timour renewable, on good conduct, every three years ; but being grants of land for the support of troops, they have been thought by some to have affinity with, or at all events resemblance to, the feudal tenures of ancient Europe, more especially as institutions strongly resembling those of feudal Europe have been traced in the Rajapoot, and other ancient Hindoo, territories. But Jaghiredars were not the only grantees obliged to attend the imperial standard. It would appear, from the Ayeen Akbery, that Zemindars did so also. The Zemindars of Bengal are expressly mentioned as furnishing, in Akbar's time, 23,330 cavalry ; 801,158 infantry ; 170 elephants ; 4260 cannon ; and 4400 boats. In the Soubah of Berar, several Zemindars are mentioned by name with the quota of troops commanded by each.\*

The author of the Observations, gives a list of eighteen other titles, under which lands in Bengal and Bahar were alienated, and held

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\* Ayeen Akbery, vol. ii. p. 16 and 64.

as “rent-free tenures.” The four first, however, viz. the Altumgha, Muddud Maash, Ayeemah, and Jagheer, are the only ones considered as royal grants. The other eighteen have no other sanction than the gift, or grant, of Nazims, Amils, Zemindars, or other local officers in authority.\* Our author calculates

\* The reader will judge of the nature of these tenures from the subjoined list, taken from the work referred to, p. 75—78.

1. *Nusseré durgah* — for maintaining places of worship.
2. *Kharijé Jumma* — Land excluded from the revenue, and sold by the Zemindars.
3. *Maafée* — Lands exempted on the authority of the Nazim or Zemindar.
4. *Sir Shikun* — Land granted in charity by Zemindars, Chowdries, Canongoes. It is, however, a grant of parcels or portions of land to some public functionary of the village — the priest, or perhaps the village washerman or plough maker, to induce him to reside there. It is taken a little and a little from each Zemindar or head — *i. e.* breaking a little off each head, and so called Sir Shikun, head-breaking.
5. *Khyrawtee* — Land given in charity by the Amil, Zemindar, or Nazim.
6. *Nankar* — Stated to be land given by the Amils, or Nazim, or Zemindar, Chowdry, or Talookdar, for some service performed. This is distinct from the Nancar allowance (*p. 32 and 58*), granted to Zemindars.
7. *Enam* — Land given by Zemindars or Amils as a favour.
8. *Chakaran* — Service lands. This grant may be by a Hindoo or Moslem.

the loss of revenue to the Company on lands thus fraudulently alienated in the “ceded and conquered provinces,” and in Bengal, at about two and a half millions sterling per annum; and denies the titles of all without reserve; it being clear, according to his conception of the Mahomedan law, that neither the sovereign, nor his provincial agents, had a legal right to dispose of the property in these lands, or any thing more than the *Khuraj*, or government revenue.

To discuss the strict legality of this right would be but a waste of words. It is clear that the right was exercised without reserve

9. *Mohturan* — Lands set apart for the maintenance of a great or revered person or place. A Hindoo grant.
10. *Peeran* — Lands set apart for a confessor or spiritual guide. - - - A Moslem grant.
11. *Fukeeran* — Ditto, to support Fakeers or religious mendicants. - - - ditto.
12. *Cheraghee* — Ditto, to maintain lamps burned at the shrines of saints. - - A Moslem grant.
13. *Burmooter* — A grant of land to a Brahmin. Hindoo grant.
14. *Bhoguwitter* — A maintenance to any person. ditto.
15. *Bhatotur* — Ditto, for the Bhaat Brahmins. ditto.
16. *Bishnotter* — A grant of land for the worship of Vishnu. ditto.
17. *Dewotter* — Ditto, for the expence of a deity. ditto.
18. *Nijjote* — Land reserved by the Zemindar, and excluded from the *Jumma* for cultivation under himself. Of the same nature as *Khomar* mentioned in *page 57, supra*.

by emperors, viceroys, and their deputies, all over Hindostan, and the Deccan. The probability indeed is that in densely peopled agricultural countries, like India, where no proprietor is acknowledged, save the sovereign, alienations and appropriations of land could not have been prevented. Bribery, collusion, or favouritism, especially in the more distant parts of the empire, would elude the utmost vigilance of a sovereign proprietor; whilst it is no slight proof of the opinion in which this right, or power, (call it which you please) was held by the grantees, that, in all the instances quoted, none ever sought the concurrent sanction of Ryots; but looked to a despot's seal, or to that of his minions in office, to render what they had thus appropriated, or acquired, a valid and secure property.

In the preceding enumeration of tenures, as well as in the list of the various levies from land noticed in *pages 27–35*, we may see how the adoption of one bad principle begets a minor offspring, supporting, and encouraging each other, but all dependent on the parent stock. In political error, as in moral sin, one transgression leads to another, till a host at length spring up into existence, and ultimately form a kindred association, to complete the dominion of evil.



It is, however, to be kept in mind, that these are the only tenures of which any official account was preserved in Bengal on its becoming subject to the British power; that their origin, with a few exceptions is of no greater antiquity than the financial system, and peculiar administration, of the Mahomedans, who have audaciously proclaimed to the world that a conquest by Mussulman arms absolutely annihilates every existing individual right in the inhabitants conquered, so as to leave both person, and property, at the mercy of the victor.

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## SECTION XII.

Discoveries in respect to landed proprietary rights of great antiquity, in various parts of India, equally perfect, though variously denominated in different districts. Estates in severalty, and in co-partnership — description thereof. Different orders of persons employed in cultivation of lands.

BUT, in other parts of India, tenures of a different description came to be discovered, whose origin clearly belongs to times antecedent to the Mahomedan conquest; and which establish, beyond all dispute, the important fact that the real property of the lands was formerly vested in individual landlords, whose exclusive right of selling, mortgaging,

leasing, bequeathing or otherwise disposing of their lands, no Hindoo sovereign, viceroy, or other person in authority, ever thought of disputing; that this was consequently an hereditary right; and in full force, and invariable usage, till the arrogant pretensions, and barbarous exactions, of the Mussulmans caused it to be absorbed in the general annihilation of private rights, which every where marked the full establishment of their power.

The existence of private property in the soil, perfectly independent of controul, and interference, on the part of the sovereign, was first discovered in Malabar, shortly after the cession of that province by Tippoo in 1792; but it was not till 1799, that it attracted the particular notice of the Madras Revenue servants. The first mention we find of it, in the printed official records of the Company, is in a report of Mr. Place, whose able administration of the Jaghire has been before mentioned. The term used to express it is Meeras, or Meerassy. When Mr. Place entered upon this charge in 1796, it was maintained by government, as a doctrine not to be disputed, “ that the actual property in the soil was  
 “ vested in the state, which alone had the  
 “ power of making an absolute sale of the  
 “ land — that the occupants of land in India

“ could establish no more right in respect  
 “ to the soil than the tenantry on an es-  
 “ tate in England can establish a right to  
 “ the land by hereditary residence;”—whence  
 Meerassy was defined to be nothing more  
 than “ a preference of cultivation, derived from  
 “ hereditary residence, but subject to the right  
 “ of Government as superior lord of the soil  
 “ in what way it chooses, for the cultivation of  
 “ its own lands.”\* This being the doctrine  
 of the day, was naturally also the impression  
 on Mr. Place’s mind, till the result of his in-  
 telligent enquiries led him to an entire change  
 of opinion ; and in a very able report of the  
 6th of June, 1799,† he endeavours to prove,  
 that the supposed “ preference of cultivation”  
 was an hereditary right tantamount to that of  
 fee-simple, with which he accordingly com-  
 pared it, and as existing from time immemo-  
 rial in individual landlords, called Meerassy-  
 dars. He then explains how these estates  
 were cultivated by tenants for life, for  
 leases of years, and at will ; and by slaves ;  
 but still unable to divest himself of the  
 rooted impression of the sovereign’s para-  
 mount proprietary rights in the soil, he con-  
 siders these Meerassy estates to have been

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\* 5 Rep. p. 105.

† Ibid. App. 16, p. 714.

originally granted by the sovereign, subject to the performance of certain conditions by the Meerassydar—in other words, subject to the payment of a certain portion of the produce as revenue.

The same, or similar, rights were afterwards traced in Tanjore, Tinnevely, Canara, and other provinces, where the Mussulman power had not wholly obscured or extinguished them; and where the titles to private property in land were ascertained to be as full, and clear, and supported by deeds more ancient, and probably more perfect, than in Europe; and where it is recorded, of the extraordinary devotion of these Indian proprietors to their hereditary ancient possessions, that they would at all times “as soon have parted with their lives as their “landed estates.”

This right is denominated in the Sanscrit language, *Swastrum*, or *Bhogam*,\* or *Swamy Bhogum*; in the Tamul, *Caniachy*; † and in Persian or Arabic, *Meerass*, ‡ all of them be-

\* *Swastram* — One's own property; landed property or inheritance. *Bhogam* — Enjoyment, possession: *Swami Bhogam* — the lord's enjoyment or possession; the lord's right as proprietor. Quit rent, or acknowledgment of proprietary right.

† *Caniatchy*— A term used in the Péninsula to signify landed inheritance or property.

‡ *Meerass* — Heritage, patrimony.—Gloss. 5th Rep.



ing interpreted to denote proprietary right or property, in the fullest and strictest sense of the term.

The term Meerass and Meerassee is that most commonly used in the official records of Madras to denote this right; the possessor of it being called Meerasseedar; and being a Mussulman denomination, it is clear that its existence was known to those conquerors; but gradually lost sight of in all cases where Hindoo right, and Mussulman might, had to contend for supremacy.\*

The Peninsula of India being for the most part divided into villages, and village communities, this right is found very generally

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\* In the Appendix to Rouse's Dissertation on the landed property of Bengal, a translation is given of two Firmauns, by the Emperor Aurungzebe, addressed to provincial Dewans. In these, the proprietary right of individuals to landed estates is repeatedly mentioned — in one instance the right of a proprietor even to sell his land is adverted to. It is clear, therefore, that this right was not unknown to the Mussulman authorities, but little cared for, or regarded in the course of their extortions. The Firmaun, indeed, here alluded to, authorizes the Dewan to collect one-half the gross produce of the soil as a land-tax; and though he is enjoined not to exceed this rate, no one can believe that he would ever take less. The consequence to the unhappy landlord was the entire absorption of every thing in the shape of rent, leaving him the possession of a right equivalent to a non-entity.

to exist in three distinct states. It is thus described, for example, in Tanjore, consisting of 5783 villages.

Villages.

“ Yeikabhogam, or villages, in which	
“ one individual holds the entire undi-	
“ vided lands . . . . .	1807
“ Palabhogam—villages, the property	
“ in the land of which is held by several	
“ persons ; each, however, possessing his	
“ own land as a separate property, and	
“ always holding the same spots of land -	2202
“ Samadayum —villages, the landed	
“ property of which is held in common	
“ by all the Meerassydars of the villages ;	
“ each, however, possessing his propor-	
“ tion of the common stock, but not	
“ possessing a claim to any particular	
“ spot of land, beyond the period for	
“ which it is usual to make a division of	
“ the whole cultivation . . . . .	1774

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Total 5783

Of the lands thus held in copartnership, or where all the lands of a village\* belonged

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\* The term “ Village” is thus used to denote, not a small assembly of houses, but a subdivision of country, of which the word Canton, or Parish, would give a more correct idea to an English reader.

jointly to all the Meerasseedars : it is explained by writers on this subject, to be a natural consequence of the Hindoo law of inheritance, by which landed property descends in equal shares to all the male children of a family ; whence the divisions, and subdivisions, would in time become so minute as not to be worth the exclusive attention of each proprietor. Many, therefore, would seek other pursuits ; leaving their lands to be cultivated under the direction of the principal occupants of the village, but for the common benefit of all interested. This is the cause commonly assigned for the institution of a village copartnership. It may, however, have been partly occasioned by the necessity of associating for common defence against oppressive or rapacious rulers ; or it may have been the extension of a primitive usage, natural enough to infant societies, who, in the pastoral state, or emerging therefrom, have very commonly formed themselves into village associations, for their own government or defence, with a common right and interest in the lands attached to each community ; a usage which the Hindoo law of inheritance would, in its operation, be well calculated to perpetuate.

Whether one, or all these causes contributed to establish the system of village co-

partnership is immaterial. The proprietary right of the copartners was always unquestioned. Each Meerasseedar could sell, mortgage, or bequeath, his interest in the common property ; the only difference, in this respect, between the co-partner, and the single proprietor, being, that what the latter does *per se*, the other must do with consent of his fellow-Meerasseedars, to give validity to the transaction.

In other parts of the Madras territories, the co-partnership tenure is called Pasung Carei, in contradistinction to Arudi Carei, or tenure in severalty. In Pasung Carei, it is usual for the inhabitants to assemble every seven, ten, or twelve years, according to custom, *draw lots* for the lands they have cultivated, and interchange the same accordingly among each other. There is, however, in every village, a spot of ground called Nattam, on which the houses of the Meerasseedars *must* be built. To each house is attached a small portion of ground called Peshacadei, held rent-free, and used as a yard or kitchen garden. This is exclusively the proprietor's own, not held in common, neither is it transferable, unless the whole Meerassy be sold.



Of Meerasseedars generally, it may be added that they were considered the most honourable part of the community, entitled to direct the affairs of the village, to stand forward in discussions with the Circar, to take the lead in festivals, &c. The possession of Meerassy is also evidence of antiquity of family, and prized as highly in the Eastern, as the Western world. Mortgages and assignments of land by Meerasseedars are also in common use.

Meerassee estates are of various amount and value. In the provinces of Tanjore, and Trichinopoly, they are found to exist from 4000 acres down to one acre of land. The smaller properties are, of course, cultivated by the Meerasseedars themselves ; but the larger by tenants called Pyacaries, or Paracoodies. Of this tenantry there are two descriptions—the common Paracoody,\* is a temporary tenant, generally from another village, employed by the Meerasseedar to cultivate his Meerassee for a year or a given period, at the expiration of which his connection with the land ceases, or continues, at the will and pleasure of his

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\* *Parakoodi (Tamool)* — from Para, another ; and Kudi, vil-  
lager or husbandman.

Meerasseedar. The Ool Paracoody\* is, on the contrary, a fixed or permanent tenant, having an hereditary right of occupancy derived from long residence on the estate, or secured by deed, and likewise from claims to remuneration on account of services rendered, money lent, or improvements made on the estate. Attached to each village, or estate, is a certain portion of waste land, which serves for common pasture to the Meerasseedar, and his tenants.

The Ool Koodys have been compared by some writers to the ancient copyholders of England, as deriving their titles from long residence, and occupancy ; and because they enjoy the right of cultivating the soil by prescription, their ancestors having done so for many generations ; and cannot be forced away from the village at the will of the Meerasseedars, as long as they perform the condition of the tenure, which is here the payment of their rents. This is compared to what in Europe was called “ the custom of the manor,” which Blackstone also admits to be the origin

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\* *Ool Paracoody*, or *Ool Koody* (*Tamool*) — from Olai, the leaf of the Palmira tree, on which a deed, letter, or lease is written ; and Kudi, a tenant or husbandman.—Gloss. 5th Report.

of copyholds.\* Ool Koodys cannot sell, mortgage, or transfer their right for a valuable consideration. In default of heirs, too, the lands or rather the right of occupancy, as in the ancient copyhold, reverts to the Meerasseedar.

But this cultivation by Koodys, is a more exact counterpart of the “book-land” and folk-land,” of our Saxon ancestors, and which are thus described by Blackstone. “First, *book-land*, or charter-land, which was held by deed “under certain rents and free services, and “in effect differed nothing from free socage lands; and from hence have arisen most of the “the freehold tenants who hold of particular “manors, and owe suit and service to the “same. The other species was called *folk-land*, which was held by no assurance in “writing, but distributed among the common folk or people at the pleasure of the “lord, and resumed at his discretion, being “indeed land held in villenage. The residue “of the manor, being uncultivated, was “termed the lord’s waste, and served for pub-

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\* “This (copyhold) is called a base tenure, because it holds “at the will of the lord, yet not simply, but according to the “custom of the manor, so that if a copyholder break not the “custom of the manor, and thereby forfeit his tenure, he “cannot be turned out, of the lord’s pleasure.”—Cowel.

“ lic roads, and for common of pasture to the  
“ lord and his tenants.”\*

Where lands are cultivated by Parakudis or Pyacaris, they are often divided according to the number of ploughs possessed by each ; and in this usage we have also that of the Anglo Saxons, who divided their lands into *Hides*, each comprehending what could be cultivated by a single plough.

Common labourers are employed in the cultivation of land ; and slaves are numerous all over the country, who bear a strong resemblance to the villeins of ancient Europe. They are attached to the land, and transferable with it from one Meerasseedar to another. In the event of desertion, or being purloined, they may be claimed by the original proprietor like beasts, or other chattels. They are in general, however, well treated, and consequently as contented as slaves can be expected to be.†

In the Southern Pollams there are also

\* See also Du Cange at the word “ Liber,” where he says that “ Boc-land, or Land-boc, was anciently in England denominated Frehold.”

† In ancient Europe, some villeins were absolute slaves. “ Under the Saxon government there were (as Sir William Temple speaks) a sort of people in a condition of downright “ servitude, used and employed in the most servile works, and



co-partnership villages called Agraharah Vadi-  
diky, and Pundara Vadi-ky; the one occu-

“ belonging, both they, their children, and effects, to the  
“ lord of the soil, like the rest of the cattle or stock upon it.”

But villeins might be enfranchised by manumission; and  
some held lands of their lords subject to the payment of a  
pecuniary rent, in lieu of the base services performed by bond-  
men or slaves.

“ In process of time they gained a considerable ground on  
“ their lords, and in particular strengthened the tenure of  
“ their estates to that degree, that they came to have in them  
“ an interest in many places full as good, in others better,  
“ than their lords. For the good nature and benevolence of  
“ many lords of manors having, time out of mind, permitted  
“ their villeins, and their children, to enjoy their possessions  
“ without interruption, in a regular course of descent, the  
“ common law, of which custom is the life, now gave them  
“ title to prescribe against their lords; and on performance of  
“ the same services, to hold their lands in spite of any de-  
“ termination of the lord’s will. For though in general they  
“ are still said to hold their estates at the will of the lord, yet  
“ it is such a will as is agreeable to the custom of the manor;  
“ which customs are preserved and evidenced by the rolls of  
“ the several courts-baron in which they are entered, or kept  
“ on foot by the constant immemorial usage of the several  
“ manors in which the lands lie. And as such tenants had  
“ nothing to shew for their estates but those customs, and ad-  
“ missions in pursuance of them entered on these rolls, or the  
“ copies of such entries witnessed by the steward, they now  
“ began to be called *tenants by copy of court roll*, and their  
“ tenure itself a *copyhold*.”—Enc. Brit. Art. Villenage. Of  
tenants thus raising themselves to the condition and rights of  
proprieters, many examples may be found in various parts of  
India. (*Vide p. 256 and 272, infra*).

pied chiefly by Brahmins, the other by inferior  
 casts ; but the landed rights in each are the  
 same. Villages, under these denominations,  
 are described by the collector to be the “ ab-  
 “ solute proprietary right” of the inhabitants.  
 “ It has been acquired (he adds) in various  
 “ ways, but chiefly, *it is presumed*, by rulers,  
 “ or other personages of rank and opulence,  
 “ giving them originally as endowments to  
 “ village communities ; and by buying them  
 “ from others for this particular purpose.  
 “ This property has, of course, in the lapse  
 “ of so many years, undergone many changes,  
 “ and has been invariably transferred, sold,  
 “ and purchased at the pleasure of the own-  
 “ ers. It is essential to the validity of every  
 “ transfer, that it be sanctioned and authen-  
 “ ticated by every individual concerned in  
 “ the property of his village. The property  
 “ itself is denominated Pung, or Banghum,  
 “ literally signifying share and proportion.  
 “ Four of these Pungs constitute what is  
 “ termed a Caray ; and each village is said  
 “ to consist of so many Pungs, and each in-  
 “ dividual share of so many Carays. The  
 “ right of property in the proportion of these  
 “ shares is ascertained in the village register.  
 “ The right of Caray rarely conveys a right  
 “ to any proprietor to any specific spot of

“ land in perpetuity ; and whenever this prac-  
 “ tice prevails, it seems a departure from the  
 “ original institutions. The property of the  
 “ whole village is common to the whole num-  
 “ ber of proprietors. Every transaction of  
 “ revenue, every matter of loss and gain, is  
 “ common to them all, to the extent of their  
 “ respective shares ; and as they are all  
 “ jointly and separately responsible for the  
 “ revenue of the village, according to the  
 “ strict construction of their tenures ; so they  
 “ are all alike equally entitled to any emo-  
 “ lument or advantage which may arise there-  
 “ from. So tenacious, indeed, are they of this  
 “ established right, of every village benefit  
 “ being in common, that a *sort of lottery* takes  
 “ place at stated times, to make a new dis-  
 “ tribution of village lands, by which they  
 “ change owners for a certain period, until  
 “ the *lottery* is renewed. By this means they  
 “ generally continue to pass from one pro-  
 “ prietor to another, so as to exclude, effect-  
 “ ually, indeed, the right of any particular  
 “ spot, but to establish the right of the ge-  
 “ neral body to the whole village in common.”

To shew the sense which the natives them-  
 selves entertain of their own right in this  
 common property, the collector gives the  
 translation of a deed of sale of one of the

shares, and which runs as follows :—“ I A. B.  
 “ of the village of C., containing 28 shares,  
 “ do hereby execute to D. E. of the same vil-  
 “ lage, this deed of sale ; that is to say, having  
 “ sold to you in this village, one share of my  
 “ own six shares therein, I do hereby execute  
 “ to you this deed of the full and absolute sale  
 “ thereof; and you having further paid, and  
 “ I having actually received 100 Chuckrums  
 “ duly shroffed in full value thereof, you are  
 “ accordingly, to the extent of the share now  
 “ transferred and sold to you, fully to possess  
 “ and enjoy all Nunjah, Punjah, islands,  
 “ water, stone, topes,\* jungles, riches, treasure,  
 “ and every well which sinks beneath, or  
 “ every tree that rises above the earth, with  
 “ every general benefit of every sort from  
 “ father to son, through every generation, as  
 “ long as the waters of the Cauvery flow,  
 “ vegetation lasts, or until the end of time ;  
 “ with the fullest liberty, likewise, of alien-  
 “ ation by gift, bequest, sale, or otherwise ;  
 “ and may you enjoy all prosperity there-  
 “ with. — This, with my fullest approbation,  
 “ I do hereby execute to D. E. this deed of  
 “ sale, which is written by Permal Pilly, vil-

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\* Topes — groves.



“lage conicopla;\*” and this requires authentication from all the other proprietors of the village.—Signed,” &c.†

We have here proof of the immemorial existence in India of allodial landed rights, the origin of which would seem to be lost in the remotest antiquity; for as to the collector’s “*presumption*” that these estates were originally granted to the village communities by princes and other personages of rank and opulence, there is neither document, nor tradition of any kind, to support it. We might, with greater probability (for we have analogy to guide us), refer the origin to an early pastoral state, in which, as in ancient Germany (as we shall see presently), and all other similar states of society, common occupancy is a natural characteristic of primitive landed possessions. Neither would a doubt exist in the present day as to the true allodial character of landed property in India, were not our notions still confounded and leavened by the old absurdity of a sovereign’s paramount proprietary right, and the fear (however groundless) lest, in abandoning it, we may also sa-

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\* Conicopla—writer or clerk.

† 5th Report, App. p. 826.

crifice the only existing fund of supply to the indispensable exigencies of the state.

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### SECTION XIII.

State of landed property in Canara ; how affected by Mussulman conquest ;  
and subsequent dominion of the British Government.

IN Canara and Malabar, the same imprescriptible rights of proprietorship have been found to exist from the most ancient times ; and, in these provinces, perhaps more precisely and fully attested than in others ; as these countries were not entered by Mussulman armies previously to the invasion of Hyder Aly in 1763 ; and may, therefore, be supposed to have retained their primitive institutions in full force and purity.

Of these provinces the fifth Report observes that “ the lands in general appear to  
“ have constituted a clear private property  
“ more ancient, and probably more perfect  
“ than that of England. The tenure, as well  
“ as the transfer, of this property by descent,  
“ sale, gift, and mortgage, is fortified by a  
“ series of regular deeds equally various and  
“ curious ; and which bear a very strong resemblance in both parts of the country.”\*

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\* 5th Report, p. 130.

So perfect was this right, that when lands were mortgaged to the fullest extent of the rent, and the whole estate substantially transferred to the mortgagee, the proprietor or his heirs could at any time, however distant, resume it on paying off the just claims of the mortgagee. In like manner, if a proprietor absconded on account of a debt to government, and that his lands were transferred to another, he could at any time return, and resume possession on payment of the debt.\* Even crimes and offences occasioned no forfeiture of this property. Whatever might be the punishment, or the fate of a criminal proprietor, the right of the heir to the succession remained unimpeached. These provinces so far differed from the other countries above described, that we find in them no village communities, or copartnerships. The lands are possessed by individuals, or separate families, residing apart on their own estates, and having no rights in common.

In the province of Canara, the landed proprietors, or landlords, are, according to the

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\* Mr. Ellis quotes some Hindoo authorities, whence it would seem the right of resumption is limited to three generations, or 100 years, which is somewhat vaguely expressed to be co-extensive with the period of memory.—*Mad. Rev. Sel.* p. 817.

Fifth Report, called Nair Mul Guenies — corresponding with the Meerasseedars, or Swamy Bhogumdars, of Tanjore, and other parts of the Peninsula.

Under the proprietors are tenants. Of these there two classes; one termed Shud Mul Gueny, or tenant in perpetuity; the other Chalie Guenie, or tenant at will. The Shud Mul Gueny is irremoveable by the superior lord, on payment of a fixed rent for his land. The tennre depends on long possession, or on mortgage, or an expenditure for improvements, or the cultivation of waste lands, or sometimes on purchase; in all which cases as long as the rent is paid, the occupancy of the Shud Mul Gueny is secure, and may be transferred, or disposed of by will. If the tenant dies without heirs, his lands revert to the superior landlord; and in case of surrendering his lands, or being removed from them, the landlord is bound to reimburse the tenant for whatever may have been advanced in the way of loan or mortgage, or expended for improvements, on the estate.

The Chalie Guenies are tenants at will, holding lands under the other or permanent tenants. The Chalie Guenie may therefore be compared to the Paracoody; and the Shud



Mul Gueny, or tenant in perpetuity, to the Oolkoody or Ool Parakoody of Tanjore. Instances are not uncommon where Chalie Guenies, after a long occupancy — generally fifty years — or improvements made on the land, have been raised to the state of Shud Mul Guenies, and in such cases succeed of course to all the rights of the permanent tenantry. Guenies would also naturally step in to all the rights of proprietorship, in cases where, from revolution, conquest, or other cause, the original proprietors had wholly disappeared. Under the Chalie Guenies again are slaves attached to the soil, as in other parts of India.

There are, as before observed, no village communities in Canara. The property in the soil rests in individuals, or in families. Some lands are held in the name of Pagodas ; some in the name of one person who manages for several ; and some lands, which have escheated to government on failure of heirs, are held of the government under the Shud Mul Gueny tenure.

When this province became subject to the king of Vijeyanuggur, Hurryhur Roy,\* an assessment of the lands was made on the prin-

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\* Between 1334 and 1337.

ciples, it is said, laid down in the Shaster, according to which two and a half Katties (measures) of seed, yielding thirty measures of Paddy (rice), were computed to be divided in the following proportions.

To the landlord	-	-	-	$7\frac{1}{2}$ or 25 per cent.
cultivator or labourer				15 or 50
Sirkar (government)				$7\frac{1}{2}$ or 25 *
<hr/>				30

Annexed to a report of the principal collector of Canara of the 31st May 1800, is an historical abstract statement of "land rent" in Canara and Soonda, shewing the changes it had undergone from the year 1660, to the then current year 1799-1800, which the reader may refer to in the 5th Report.† This document is worthy of particular attention, from its establishing certain facts of great importance in the present discussion. In a report by Mr. Thackeray dated 4th August 1807, ‡ an abstract of this abstract is given, which, for brevity's sake, I shall here use in preference to the other; the figures in both being the same. It is as follows:—

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\* The Shaster only gives one-sixth to the Circar, and not one-fourth as here stated.

† Vide 5th Report, p. 809.

‡ Ibid. 824.

The assessment above-mentioned of the Vijayanuggur government remained, it appears, without alteration till the province was tranferred to the Bednore government, about the middle of the seventeenth century. The Bednore government made some additions to the revenue ; so that in 1660, the Vijayanuggur and Bednore assessments together formed the standard revenue, called Rekha or Shist ; and which amounted

In Canara, to Pgs.	202,229	29	47	=	£80,891
Soonda -	44,393	20	45	=	17,757
<hr/>					
Total stand. Shist	246,623	14	12	=	98,649
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This remained, for near a century, the land tax of Canara ; but in the eighteenth century, the Bednore government laid on additional cesses, and raised the land tax, to - - Pags. 314,007 4 52 = £125,602

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But Hyder, in the true spirit of Mussulman conquest and exaction, raised the revenue after his invasion of Canara in 1763, to - - Pags. 533,202 4 17 = £213,281

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Whilst Tippoo by extra assessments, and new heads of revenue, attempted to extend

it to - - Pags. 868,678 25 16 = £347,471

But deducting what could  
never be collected - 252,589 22 76 = £101,035

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There remained for Tippoo's  
"standard assessment," as it has  
been called - Pags. 616,089 2 2 = £246,435

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This sum was, however, a nominal assessment; for Tippoo, owing to the oppressive exactions of his own and father's government, and the consequent destruction or expulsion of great numbers of the inhabitants, never collected more than Pgs. 473,550 3 12 (189,420*l.*); and of that about 25,938 Pags. (10,375*l.*) arose from the sale of grain, and items not properly of land revenue. His actual Jumma, therefore, was only - Pags. 447,612 = £179,045

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Major Munro, then principal collector, took, however, this settlement as the basis of his assessment of Fusly, 1209, corresponding with A.D. 1799-1800; and after deducting some items, and adding others, fixed the assessment of the year, at 465,148 33 64 = £186,059

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From the preceding statement, the following facts are deducible:—

First. It is stated, that a public revenue



was always derived from these lands, under the ancient Hindoo governments; but the amount, as well as the encrease, by the Bednore government may, I think, be ascribed, with great probability, to the wars in which the Vijeyanaggur and Bednore states were constantly engaged, and particularly with the Mussulman sovereigns of the Deccan. I incline to this opinion, because in the neighbouring provinces of Malabar, whose primitive institutions very much resembled those of Canara, no such thing as a land-tax was ever known until the days of Hyder Aly and Tippoo Sultaan; and, because, in Mr. Ellis's justly celebrated Meerassy paper,\* it is expressly stated, to have been the case in Canara, until subjected to the Vijeyanaggur government, when a general assessment was laid on the lands as above stated.

Secondly. That under the Hindoo governments, when the landlords, or Nair Mul Guenies, were supposed to derive a rent from their estates equal to 25 per cent. of the produce, the public revenue only, amounted to - - - - - Pags. 246,623

Thirdly. That when Hyder Aly, acting on

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\* Mad. Rev. Sel. vol. i. p. 814.

the principles of the Mussulman law of conquest, more than doubled the revenues, by encreasing them to - - Pags. 533,202

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It is clear that he must have absorbed, in this assessment, not merely all the net rent of the proprietors, but all the shares of all the Guenies put together; leaving nothing but a bare sufficiency to save from starvation those who chose to become labouring cultivators of the soil. But

Fourthly. His son, Tippoo, not content with these exactions, wished to raise the revenue to - - - - Pags. 868,678

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or nearly four times the amount of the Bednore assessment. But finding it impossible to realize this amount, it was reduced to - - - - Pags. 616,089

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of which, however, from the then distracted state of the country, he could only collect about - - - - Pags. 447,612

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Lastly. This excessive exaction was adopted by a British collector, as the basis of his assessment for 1799-1800; and which was accordingly settled for that year, at - Pags. 465,148

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but the “*standard*” assessment, as it is called,

of Tippoo, or 616,089 Pags. was always kept in view at every future annual settlement. Whether collectors have yet attained the “standard” rate, the printed documents do not precisely shew ;\* but the assessment of

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\* All that I can collect from the records now in print is, the certainty that constant additions were made even to this excessive exaction — but not the precise amount. The 5th Report, p. 132, has the following remark on it : — “ By “ the operation of this fixed and *moderate tax*, by discoveries “ of concealed cultivation, and other clandestine advantages, “ and by the extension of agricultural labours, it appears that, “ at the expiration of 1807-8, including a period of nine “ years, since the province (Canara) was obtained, an aggregate increase had taken place in the collections, amounting “ to 813,901 Star Pags., in which was included the receipts “ from other heads of revenue, independent of the land tax, “ and exhibiting an average increase of 101,737 Star Pags.” If this is intended to express the amount of annual Jumma in 1807-8, it would give for the land-tax alone 712,164 S. Pags. ; whereas in the minute of the Madras Board of Revenue of 5th July, 1818, (p. 897-8, Mad. Rev. Sel.) the land revenue of Canara is given in one paragraph at 487,366 Pags., and in another at about 520,000 Pags. It is, however, distinctly admitted in this document, that the *full amount* of Hyder’s Jumma (533,202 Pags.) is to be the maximum of demand on all the lands of the province ; and as such entered in the individual Pottahs, given annually to each Ryot under the collector’s seal and signature. Notwithstanding the excessive amount of this revenue, and its progressive increase, in a province avowed to be in a state of great distraction and poverty when it passed into our hands, there were not wanting persons in 1807-8 so partial to their own acts, or those of

of 1799-1800, is sufficient of itself to furnish a perfectly intelligible version of what is

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their fellow-servants, as to represent, and probably to believe, that “satisfaction prevailed throughout the country — a common improvement was exhibited among the people in dress, living, and other personal comforts; and the revenues were realized with singular punctuality.” A very different picture, however, is given of the state of this province by the Madras Rev. Board in 1818, which I here subjoin, that the reader may, with the facts before him here detailed, judge for himself.

“To the practice of loading the lowly assessed or industrious Ryot with the tax of his less fortunate or more improvident neighbour (condemned by the very officer who adopted it as both impolitic and unjust), to the *consumption*\* of a maximum standard of assessment much beyond the capability of the country, even at the period of its greatest prosperity, to the gradual approximation made to this high standard in the actual demand on more than half the landed property in Canara, and to the annual variation, and consequent uncertainty, in the amount of the assessment on individual Ryots, as much as to any temporary reduced value of produce, or the imposition of new indirect taxes, are to be ascribed *the decline in agriculture, the poverty among the Ryots, the increased sale of landed property by the landlords, the difficulty of realizing the collections, and the necessity, before unknown, of disposing of defaulters’ lands in satisfaction of revenue demands, which, after fourteen years’ residence in Canara, at length constrained the late collector to record his conviction, that the present assessment is beyond the resources of the province.*”—Mad. Rev. Sel. vol. i. p. 898.

\* Sic in Orig.



meant, in Eastern finance, by the term “just and moderate Jumma.”

It is moreover stated, in treating of this settlement for Fusly, 1209, A.D. 1799-1800, that “Canara had been almost desolated by  
 “ many years of oppressive government, and  
 “ latterly by the confusion which the war  
 “ with the English had occasioned.” We have here, indeed, a curious specimen of the language in which opposite biasses will describe the same, or analogous, transactions. The spirit, which assails with honest indignation the atrocities of former despotisms, is softened into mild complacence where our own acts are the theme, and which we have some particular motive to approve. The principal collector of Canara describes the effects of the assessments by Hyder and Tippoo in the following terms—“The evils  
 “ which have been continually accumulating  
 “ upon it (Canara) since it became a province  
 “ of Mysore, have destroyed a great part of  
 “ its population, and rendered its remaining  
 “ inhabitants as poor as those of the neighbouring countries. It may be said that  
 “ this change has been brought about by the  
 “ invasion of Hyder ; by the four wars which  
 “ have happened since that event, by Tippoo  
 “ himself destroying many of the principal

“ towns upon the coast, and forcing their inhabitants to remove to Jumalabad, and other unhealthy situations near the hills; by seizing in one night all the Christian men, women, and children amounting to above 60,000, and sending them into captivity to Mysore, from whence one-tenth of them never returned; by the prohibition of foreign trade, and by the general corruption and disorder of his government in all its departments. These circumstances certainly accelerated the change; *but taken altogether they probably did not contribute to it so much as the extraordinary augmentation of the land rent.*”\*

Again he observes, “ Had such an assessment as that introduced by Hyder and Tippoo existed in ancient times, Canara would long ago have been converted into a desert.” Yet strange to relate, this augmented land-rent, so pregnant with mischief in the hands of our Mussulman predecessor—this Jumma, which Lord Teignmouth would rightly denominate “ mere pillage and rack-rent ”—was deemed sufficiently just and moderate in the hands of British collectors to be made the basis of our revenue system,

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\* 5th Report, App. p. 807.

and to be recommended in the very same report \* as that above quoted for present adoption, whilst its utmost amount of exaction under Tippoo was afterwards held forth as a maximum which future collectors were encouraged to realize.

It is thus that our revenue systems provide for the “happiness and prosperity” of the natives of India. Their good is always the avowed object. Professions abound, and good

\* It is but justice to Col. Munro to add, that this settlement was recommended by him in opposition to his own better judgment. His words are as follows: — “However much I disapprove of the numerous additions made to the ancient land-rent by Hyder and Tippoo, I did not think myself at liberty to depart widely from the system which I found established, as it is the same as that which exists in all the provinces which the Company have acquired in the last and former war. I have made no other reduction in the assessment of Tippoo Sultaun than such as was absolutely necessary to ensure the collection of the rest. *I consider myself merely as a collector who was to investigate and report on the state of the country, but who was to leave it to the Board to decide as to the expediency of lowering the assessment.*”

In another report, 27th Jan. 1800, (Mad. Rev. Sel. vol. i. p. 898.) Col. Munro observes; — “I thought the rents too high (in Canara), *as I think they are in every part of India that I have seen*; but I conceived it belonged to the Board, and not to me, to determine what part of them it might hereafter be proper to reduce.

intentions, I admit, are for the most part sincere. But the means adopted are an absolute bar to the accomplishment of our own wishes. The indispensable wants of government must be supplied. A system, which inseparably links the great mass of the people with pauperism and beggary, is consequently enforced; and because human beings so fettered *cannot* improve their condition, we think to relieve our own responsibility by illiberally charging the evil on immutable prejudices, and supposing, or pretending to suppose, native Indians to be naturally incapable of moral improvement.

At all events we have, in the preceding statement, a series of recorded facts to shew how the Mussulman financial system absorbed all landed property by destroying individual rights, and how obviously it tended to obliterate, in a generation or two, the whole class of landed proprietors. It also shews, how this evil is perpetuated by the principles of our own administration; and, lastly, the effect of the system on the minds of our best collectors, when such a man as Colonel Munro finds it necessary to adopt, for his own Jumma, the highest assessment of his Mussulman predecessors, to satisfy the Revenue Board and Government at the Presidency; at the



same time that he avows his belief of the Jumma being too high to consist with the object of advancing the prosperity of the country.

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#### SECTION XIV.

State of landed property in Malabar. Description of proprietary rights ; modes of mortgage, assignment, and cultivation. Military service incumbent on landed proprietors and their tenants.

THE province of Malabar was always further removed than the others from the scenes, and the effects, of Mussulman usurpation. It accordingly preserved its independence, and its primitive institutions, undisturbed, until subjected to the dominion of Hyder Aly and his son Tippoo Suldaun, as before noticed.\* When ceded to the British Government in 1792, we found that the same description of landed proprietors, and tenants, existed in Malabar, as above described in Canara ; that the attempts of Hyder, and Tippoo, to enforce on the Malabarians the Mahomedan system of revenue, had driven from their lands all the principal Hindoo proprietors ;

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\* *Vide Vol. I. p. 543, et seq.*

who now returned, full of anxious hope to be allowed to resume their estates. The inquiries instituted into the rights of these claimants consequently established the following facts.

A class of persons denominated Jelmkars, or Jenmkars, appear, from time immemorial, to have possessed a property in the soil more absolute, it is thought, than even that of the landlord in Europe. The term Jenm, means properly allodial right, acknowledging no superior, and Jenmkar, therefore, allodial proprietor. As far as history can be depended on, the government of Malabar was originally a perfect theocracy, and all the lands belonging to the Pagodas, in which, and the Namboory Brahmins, was accordingly vested the allodial supremacy of the soil. All other persons, even the Rajas themselves, held their lands from the Pagodas, by the tenure of Koodema Neer, that is, the garden or higher lands ; and the Paddy or rice lands, on mortgage, for a valuable consideration given ; but which might at any time be resumed on repayment of the sum borrowed ; and this right of resumption is acknowledged and practised to this day. The title deeds were all in the names of the respective Pagodas. Of the tenure of Koodema Neer, it may be sufficient to say, that the Brahmins always

reserved a quit rent in money, or kind, or some other inconsiderable acknowledgments of their superiority—with which reserve alone the lands became the exclusive property of the Koodema Neerkar, who are commonly designated by the term Jenmkar.\*

In some cases the superiority of the Pagodas is still acknowledged and exercised; in others it has become extinct; particularly

\* This is a different view of Jenm right, and the Koodema Neer tenure, to that given by the Madras servants employed in Malabar. My chief authority, on this occasion, is an old and valued friend, the late Mr. Murdoch Brown, whose highly intelligent and inquisitive mind, coupled with a perfect knowledge of the Malabar language, and constant intercourse with the natives for 40 years, enabled him to collect probably more accurate information regarding the ancient institutions of the country, and the laws and habits of the people, than could be collected by any other European. The Koodema Neer is represented in the Madras records as a species of mortgage; but the term is there vaguely defined, and obviously because the nature of the tenure was ill understood.

In further illustration of Mr. Brown's view of Jenm right, I can also add on his authority, that the term Jenm is used figuratively to express what are considered imprescriptible rights, such as the rights of the head carpenter of a Tara or parish, to measure out the foundation of all new houses, to plan the door-frames, and certain parts of the roof; on all which occasions he receives so many Fanams, and no other carpenter is competent to execute those parts of the building. This right is hereditary in the family, as well as those of the

since the destruction and expulsion or forced conversion of the principal Hindoo inhabit-

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blacksmith ; and this is termed Jenm : and hence they have been considered as signifying “ birth-right.”

Similar Meerassee rights are described by Mr. Ellis as existing in other parts of the Peninsula.

A privilege resembling this also existed in former times in England, claimed by millers, as an exclusive right to grind all the corn used within the manor or township wherein the mill stood. It is described by Du Cange under the words — *Soca molendini*, and *Secta molendini*, and by English authors called Soc or Soke. In Scotland the right still exists under the denomination of Thirlage. Erskine's Prin. Law of Scotland, p. 232 ; and Enc. Brit. Art. Law, p. 653.

This explanation of Jenm right establishes a stricter analogy between the Koodema Neerkars, commonly called Jenmkars of Malabar, and Nayr Mul Guenies of Canara, than seems to be admitted by the Madras servants. The Jenmkars of Malabar were formerly tenants in perpetuity, holding of the Pagodas by the Koodema Neer tenure ; but who, through the various convulsions of the province, destruction of Pagodas, and extirpation of the Namboory Brahmins, or superior lords, succeeded at length to the rights of the latter ; and in all cases where superior right cannot be proved, are now (in my opinion, very properly) acknowledged as real Jenmkars. The Nayr Mul Guenies of Canara were also permanent tenants, formerly holding of Nayr landlords, in whom was vested the exclusive or absolute property in the land. When Canara was conquered in early times by the Pandian princes of Madura, these Nayr landlords were extirpated, or expelled, by the conquerors, and their rights and privileges transferred to others. Subsequently, therefore, to this revolution, the



ants by their Mussulman rulers ; whence the occupants in possession of estates came na-

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Nayr Mul Guenies, it would seem from the 5th Rep. p. 130, had become actual landlords or proprietors in Canara, with all the rights appertaining to the ancient Nayrs. I must, however, observe, that the Madras Revenue Board, in their minute 5th Jan. 1818, speak of another race of landlords in Canara, called Mulees, as successors of the Nayrs, and as being superior to the Nayr Mul Guenies. Perhaps the Mulees, and the Nayr Mul Guenies, both exist as real landlords. If the statement, therefore, given in the 5th Rep. be correct, it indicates a striking analogy in the ancient institutions of these two neighbouring territories, the superior tenants in perpetuity in both provinces having succeeded, by nearly the same processes, to the rights of absolute proprietors.

It would seem from a passage in Mr. Ellis's Meerassee Paper (Mad. Rev. Sel. vol. i. p. 819.), that there are villages in other parts of the Madras territories, where the perpetual tenants, Ool Parakoodys, have not succeeded to the rights of Meerasseedars on the latter becoming extinct. The policy, however, is not very apparent, of thus keeping, as it were in abeyance, a right which there are no heirs or persons in existence to claim, but which might be beneficially transferred to another. Other instances, however, are mentioned (p. 830.) in which Ool Koodis had succeeded in possessing themselves of the full Meerassy rights.

Another, and perhaps more forcible reason for considering occupants, where there are no other claimants, as the real Jenmkars, Meerasseedars, or Canyatchikars (for all these terms imply the same rights), of their respective properties is, that the Hindoo law gives the right of proprietorship to the possessors of land " after the third generation, or after the lapse

turally to be considered as the superior lords ; and the term Jenmkar, in our time, to be applied to Raja, Namboory, Nambyar, Nayr, and even Mapilla, landlords ; the latter being a race of Arabs who, many centuries ago, established themselves on the coast ; and by commercial and industrious habits, acquired wealth, and encreased in numbers, so as, partly by purchase, and partly by violence, to become the actual proprietors of numerous, and even large, estates.

Landed proprietors in Malabar, have always been considered by us, as possessed of the Jenm or allodial right to their respective estates ; and as such denominated Jenmkars. Between these Jenmkars, and the Nayr Mul Guenies of Canara, there was this remarkable difference, that the Jenmkars enjoyed their hereditary rights free from all assessment, or revenue to government. Their estates were

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*“ of the period of memory, determined to be one hundred years.”* — (Ellis’s Meer. Paper.) When, therefore, through the various revolutions, and anarchical rule of this extraordinarily-troubled country, the original proprietors of estates shall have disappeared, or become extinct, although the Hindoo law may have some reservations in respect to Meerassy privileges, reason and sound policy would here seem to concur in sanctioning the full confirmation of allodial right in the actual occupants of the soil.

their own exclusive property from time immemorial ; and a land-tax was unknown in this province, until it was subjugated by Hyder ; one of whose first mandates was to declare *half the produce of the soil to be the share of the Circar.*

Of the Jenmkars of Malabar it is also deserving of remark—so perfect were their rights—that no authority but the landlord's, was ever acknowledged on his own estate ; nor did the Raja, or prince, in any way interfere, excepting in capital cases, which were judged conjointly by him and the head Bramins of the Rauje. The Raja had no direct authority, except in his own desmesne lands.

Until this period, therefore, nothing could be more complete, than the property in land possessed, and enjoyed, by the Jenmkars of Malabar. The province had been long divided into small principalities, at the head of which were Rajas, generally, if not always, the largest landed proprietors of their respective divisions ; and this was their only source of land revenue. Their other supplies were derived from

Poorashandrum, or fines levied on the property of deceased Mapillas, to entitle the next heir to succeed.

Imposts on trade, and mint duties.

Fines for criminal offences.

Protection money from fugitive subjects of other Raja.

Escheated estates on failure of heirs.

Confiscated estates.

Offerings at certain annual festivals, and on the investiture of a Raja.

Professional taxes on weavers, distillers, &c.

Royalties of gold ore, elephants, ivory, teak-trees, bamboos, wrecks, and a few other items.

But the rent of a Jenmkar's landed estates was always wholly and exclusively at his own disposal.

These estates, like similar properties in other countries, were all deeply mortgaged. The mortgage was termed Kanum; and the mortgagee, Kanumkar. The mortgagee was sometimes a wealthy merchant; but often a tenant in possession. As long as interest was regularly paid on the debt, the mortgagee had no controul over the land; but in default of regular payment, he was entitled to possession; and could lease out the lands to other tenants; or cultivate by means of his own slaves or hired labourers; accounting to the Jenmkar for whatever surplus there might be, after discharging his own interest. The Kanumkar could neither foreclose the mort-



gage, nor dispose of the Jenm right to satisfy his debt ; but he could sell, or mortgage, his own Kanum to another, who then succeeded to his rights. If the Jenmkar was enabled to redeem the mortgage, he was obliged to pay the Kanumkar for all improvements made on the estate ; but this seldom occurred. The Kanumkar in possession was, in reality, a tenant in perpetuity. Neither he, nor his heirs, were ever removed, though the Kanum contained within itself a principle of self-redemption. The mortgage deed was renewable every 12 years ; on which occasion 13 per cent. of the original debt was struck off ; and though by the operation of this periodical deduction, the estate might at length revert to the Jenmkar, or his heirs, free of debt ; it more frequently produced an opposite effect by inciting the Jenmkar to encrease, or renew, his borrowings, and thereby to perpetuate the occupancy of the Kanumkar.

There were other, or temporary, tenants, called Patomkars, to whom the lands were leased for longer, or shorter, periods, according to agreement. The conditions of the lease were, not a share of the produce to the Jenmkar as in some other countries ; but a certain fixed Patom, or rent, for a defined extent of land, sometimes in kind, and some-

times in money, as settled between the parties. These tenants were removable at will, or at the expiration of their respective leases ; so that, with some shades of difference, the Kanumkars, and Patumkars, of Malabar may be compared with the Oolkoodies, and Parakoodies, of Tanjore, and the Shud Mal Guenies, and Challie Guenies, of Canara.

Other modes of leasing, and mortgaging, lands are mentioned as common in Malabar, with certain conditions attached to each.

One of them, termed Kuy Kanum, is a lease of land granted by the proprietor for 12 years, which the Kuy Kanumkar is to bring into cultivation to plant with pepper vines, and productive trees, and to erect the necessary buildings, fences, &c., and to hold it for the above mentioned period, in consideration of this labour and expenditure, free of rent. At the expiration of 12 years, the Kuy Kanumkar is liable for a rent agreed upon ; or he may be ousted on receiving compensation for his expenditure and improvements. But as this never happens, the Kuy Kanumkar may also be considered a tenant in perpetuity. He can sell or mortgage his own improvements on the estate to another ; but not the Jenm right, which in all cases the

Jenmkar most tenaciously reserves to himself. A large proportion, indeed, of the lands of this province were thus found to be in the hands of mortgagees, many of whom are Mapillas ; whilst some had either supplanted the Jenmkars, or purchased the title to their estates for a trifling consideration, during the havoc and oppressions of the Mussulman government.

Slaves of the soil are also common, and numerous, in Malabar as in other parts of India.

Although the Jenmkars held their lands free of suit and service to a superior lord, and subject to no other condition than a trifling, and perhaps in some instances nominal, acknowledgment to a Pagoda ; they were still obliged to defend the country, and indeed their own properties, in time of need ; for which purpose each principality was divided into Deshums, or districts, and these again subdivided into Naads, or Nadu ; and each Naad assessed, not with so much revenue in money or kind to the state, but with a certain number of armed men, with whom the Jenmkars were required to attend upon the Raja when war, offensive or defensive, or other public duties, required their services. This, too, was formerly the case in Canara, previously to its conquest by the

Vijayanūgur government, and the establishment of a land-tax by Hurryhur Roy.

Besides this district levy or contribution for military service, the tenants of a Jenmkar were also bound to follow him in war — a regulation which may have been one cause at least of the perpetuity of subordinate tenures in Malabar ; for it was a point of honour with the great Nayr families never to turn out a tenant whilst he continued to pay his rent. It was, indeed, the interest of the Jenmkars to treat them well ; for they were not only the chief means of providing the Jenmkar's income, but composed his retinue of armed followers, so essential to his consequence and weight in the aristocracy. It was also of some use as a corrective to aristocratical power, insuring to the lower orders a greater degree of security and independence.

Whether this law, or custom, of military service prevailed in other parts of India, I have no authentic documents to prove. I can only believe in the probability of its being universal, from the certainty, and great antiquity, of its existence in Malabar and Canara. In these provinces, at all events, it bears a striking resemblance to a similar law existing among the freemen of the West, as far back at least as the days of Julius Cæsar,



who describes (for example) the nation of the Suevians as divided into 100 Cantons or Pagi, (Nadu), each of which supplied yearly for war 1000 armed men. This law was common to the tribes of Northern invaders, who carried it with them into all the settlements they effected in the South. There the law, termed Herebannum, required of every free man to bear arms, for the common defence subjecting him to a heavy fine for failure in his attendance, when summoned to the field; or, if insolvent, to be reduced to slavery until his labour should amount to the value of his fine;\* whilst in the Capitularies of Charlemagne, it is ordained that every freeman who possessed five mansi, or 60 acres, of land in property, should march in person against the enemy.†

From this description of military service — from the military habits of native Indians generally, and their attendance on their princes, or Rajas, in war — from its being supposed that landed estates in Canara, and

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\* Du Cange Voc. Herebannum. “ Quicumque liber homo  
 “ in hoste bannitus fuerit, et venire contempserit, plenum  
 “ heribannum componat, secundum legem Francorum, id est  
 “ 60 solidos (sols) solvat.”

† Rob. Hist. Char. V. vol. i.

other parts, are conditional tenures subject to the payment of a certain revenue to the state—and from the difficulty, perhaps, of shaking off the Mussulman doctrine of the sovereign being also lord paramount of the soil, it has been contended that the Jenm or allodial rights above described, existing in Malabar, as elsewhere, are no other than a “fee-simple or hereditary right of possession, subject to some of those various conditions from which no subject can be exempt.”\*

But this is a mistake, arising, perhaps, from confounding Mahomedan with English feudal law. The estates here treated of are not, and never were, fees or fiefs. The proprietors had the “*absolutum et directum dominium*,” the absolute property or demesne in the land; holding it in their own right, without acknowledgement of service to a sovereign power, or superior lord; and though the present race of proprietors, or part of them, being originally perpetual tenants, may be thought to have had only the “*jus perpetuum et utile dominium*,” in their lands; yet on the extinction, or extirpation of the superior lords, or often by purchase, they came to be considered (as they ought to

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\* Rep. Mad. Rev. Board, 31st Jan. 1803.

be) absolute proprietors — that is, seized of lands absolutely “*in dominico suo*,” or in their own desmesne.

So late as the year 1818, the Madras Board of Revenue have described this right as a mere “hereditary possession, and usufruct of “the soil, known by the term Jenm, or birth-right;”\* but this, also, is a misconstruction. In all the Hindoo countries, where primitive institutions are still traceable, I believe it will be invariably found that there existed, from time immemorial, both allodial and usufructuary occupants of the soil; and that these were, generally speaking, distinct persons. The Jenm, Swamy Bhogum, Caniatchy, or Meerassy right, is a pure *allodium*, not a *feudum*, nor a simple *usufructus*; and so precious is this right, in the eye of the proprietor, that, after the whole substance of his estate has passed away to mortgagees or others, he still retains the Jenm as a valuable property, for which, though but a shadow, a price would readily be given; but which is held by its hereditary owners with the utmost tenacity, and, therefore, but rarely parted with. The usufructuaries are the different tenants, and mortgagees, above described,

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\* Mad. Rev. Sel. vol. i. p. 889.

sometimes called “subordinate landlords.” They have liens on the profits and produce of the land amounting to property, which is hereditary, and may be transferred, or mortgaged, and in some cases sold; but in no case can they inherit, transfer, mortgage, or sell the land itself, or the Jenm right. In times of trouble and confusion, when allodial proprietors have disappeared, become extinct, or been induced, by distress, to sell this last hold on their estates, the usufructuaries have stepped into their places; and where no superior right can be established, the usufructuary, whether he has purchased the superior right, or not, becomes the fittest person to be acknowledged as Jenmkar, Swamy Bhogamkar, Canyatchikar, or Meerasseedar.\*

It is, indeed, to be lamented that these primitive rights were not discovered by the British Government at an earlier period.

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\* *Vide note, p. 239.*



## SECTION XV.

Real landed proprietors discovered to exist in the provinces subject to the Bengal Government.

ON our acquisition of the Dewanny, in Bengal, Mahomedan severity and usurpation had so effaced these rights, that no trace of them is to be found in the proceedings of the constituted authorities. The Mussulman doctrine of the sovereign being sole proprietor, was then universally prevalent. The same impression existed in 1789, and 1793, on the formation of the Permanent Settlement in Bengal; and estates were accordingly conveyed in full property to the Rajas, and great Zemindars of the lower provinces, subject to the condition of a certain annual revenue; but in utter ignorance of the territorial rights of other classes; although partial proofs of the existence of Maliks, and village Zemindars, in some of the provinces, might, one would suppose, have caused official persons to pause, and enquire, ere they dealt out the whole landed property of the country with such profuse, and, as now appears, inconsiderate, liberality. The mischiefs and injustice occasioned by this hasty step, have been already

explained ;\* and the monstrous evil having been confirmed in the lower provinces of Bengal by legal enactments, and 30 years' undisturbed possession of these confiscations (for they deserve no better name), the ousted real owners are left without a hope of redress, being doomed, as Lord Hastings observes, to absolute extinction, "so that no remnants of them will be soon discoverable."

It has, likewise, been stated that, shortly after the acquisition, by the Company, of the "Ceded and Conquered Provinces," the lands of the country were discovered to be universally the actual property of individual owners ; who, at the first encouragement, came forward to assert their respective rights. It is not a little remarkable that these discoveries were, at length, made in countries almost bordering on the metropolis of the Mogul empire in Hindostan, where Mussulman principles may be supposed to have been put in force with the greatest rigor and efficiency ; whilst, in countries far removed from the chief seat of government, the rights of individuals, as proprietors of land, are officially stated to be altogether lost or extinct, or to have approached complete extinction in pro-

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\* *Vide Vol. I. p. 366-370. 397. and 583-588.*

portion as the Moslem power was more or less effectually established ; and, as regards official documents and proceedings, this was indubitably the case. Later inquiries, however, render it probable, if not certain, that in no part of the country were these rights wholly extinguished. A record, or tradition, with full acknowledgement of their indefeasibility, seem to have been preserved among the Hindoos themselves, through a long succession of ages, in spite of the rigor and exactions of their rulers.

We have here a remarkable difference in the result of the Eastern and Western irruptions. The invasion of the Roman empire by the Northern barbarians, continued to desolate Europe from the beginning of the fourth century till about the close of the sixth ; at which time the ancient inhabitants were nearly exterminated ; little or no trace being left of their policy, jurisprudence, arts, or literature ; “ new forms of government, new laws, new “ manners, new dresses, new languages, and “ new names of men and countries, were “ every where introduced.”\* Italy, in particular, in the eighth century, is said to have been over-run with wood, or laid under water,

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\* Robertson's Hist. Char. V. vol. i. p. 12.

the habitation of wild beasts, and almost destitute of human inhabitants. Although the spirit of rapacity and cruelty was quite as strong in the Eastern as the Western conquerors, its results were very different. The Hindoos 'of India, though persecuted and oppressed, from religious as well as avaricious views, were never so completely prostrated as the vanquished people of ancient Europe. The former retained, through ages of devastation and rapine, and still exhibit unimpaired, the manners, the usages, the institutions, the language, arts, and sciences, of their fathers. Their persons were prostrated by the superior might of the Mussulman sword, but their minds were never so degraded as to make a voluntary abandonment of their natural rights. They did not court slavery as a refuge from other miseries and oppressions. Whatever brute force may have extorted, they never sought to change an independent into a conditional property for the inglorious distinction of becoming vassals to a superior lord.\* In

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\* Dr. Robertson, in treating of the state of society in Europe from the seventh to the eleventh century, observes : —“ Such was the spirit of tyranny which prevailed among  
“ the great proprietors of land, and so various their oppor-  
“ tunities of oppressing those who were settled on their es-



this respect, the advocates of Hindoo degeneracy would be forced to admit that a com-

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“ tates, and of rendering their condition intolerable, that many  
 “ freemen in despair renounced their liberty, and *voluntarily*  
 “ *surrendered themselves as slaves to their powerful masters.*  
 “ This they did, that their masters might become more  
 “ immediately interested to afford them protection, together  
 “ with the means of subsisting themselves and their families.  
 “ Such a surrender was termed *obnoxiatio*. The reason given  
 “ for it is the wretched and indigent condition of the person  
 “ who gives up his liberty. It was still more common for  
 “ freemen to surrender their liberty to bishops or abbots,  
 “ that they might partake of the security which the vassals  
 “ and slaves of churches and monasteries enjoyed, in consequence of the superstitious veneration paid to the saint  
 “ under whose immediate protection they were supposed to be  
 “ taken. That condition must have been miserable indeed,  
 “ which could induce a freeman voluntarily to renounce his  
 “ liberty, and to give up himself as a slave to the disposal of  
 “ another. The number of slaves in every nation of Europe  
 “ was prodigious. The greater part of the inferior class of  
 “ people in France were reduced to this state at the commencement of the third race of kings. The same was the  
 “ case in England.” — Rob. Char. V. vol. i. p. 277.

“ In those times of anarchy and disorder, which became  
 “ general in Europe after the death of Charlemagne, when  
 “ there was scarcely any union among the different members  
 “ of the community, and individuals were exposed, single  
 “ and undefended, by government, to rapine and oppression,  
 “ it became necessary for every man to have a powerful protector, under whose banner he might range himself, and  
 “ obtain security against enemies whom he could not singly

parison between the inhabitants of the East and West is not favourable to the assumed innate superiority of the latter.

But to return to the “ceded and conquered provinces.” It is now certain, that lands in the north of India, have ever been held by the Hindoos, both as several, and as common properties, bearing a striking resemblance to those of the southern provinces. In Rohilcund, estates are held in severalty, and belong, as of right, to one person. All the proprietary villages in Rohilcund are of this description; and the nature of these estates is the same, whether they consist of a single village, or any number of villages. Some of the villages in Rohilcund have no proprietors; all traces of ancient proprietorship having been lost in the successive revolutions of the Rohilla conquest, and of the Nabob Vizier’s government. Some entire Pergunnahs are thus situated, in consequence of the Rohilla government hav-

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“oppose. For this reason he relinquished his allodial independence, and subjected himself to the feudal services, that he might find safety under the patronage of some respectable superior. In some parts of Europe this change from allodial to feudal property became so general, that he who possessed land had no longer any liberty of choice left. He was obliged to recognize some liege lord, and to hold of him.”—Rob. Char. V. vol. i. p. 267.

ing reserved to itself the proprietary sovereignty on the expulsion of the original Zemindars.

In the Dooab, and Bundelcund, estates in joint property are common, like the Palabhogam, and Samadayum, villages of Tanjore.\* These properties are known, in the north, by the name of Putteedary, and Byachara. The chief difference between these two, is stated to be, that in Putteedary estates specific shares appertain to particular persons; whence the revenue assessed on the whole estate is apportioned to each share thereof, agreeably to its extent and value; whilst deficiencies fall only on the share or shares, in which such deficiency may occur; whereas in Byachara estates, the property being common, deficiencies in the revenue are made good by a general re-assessment on the whole estate.

Khode Khost, and Pay Khost, Ryots are also common in the north of India, corresponding with the resident Ryots (Oolkoodies), and tenants at will (Parakoodies), in the southern provinces. Free labourers, and slave cultivators, are likewise common.

Although the knowledge of this description of property was within the reach of ordinary

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\* *Vide supra*, p. 241.

enquiry at the time of our becoming possessed of the ceded and conquered provinces ; it is stated, that, in the first revenue settlements effected, one fifth or thereabouts of the whole country was given up, as in Bengal, to great Zemindars, to the entire subversion of the rights and property of the real owners ; whilst, for the remaining four fifths, settlements were concluded with village Maliks,\* as representatives of the joint bodies of co-proprietors. But as the representative Maliks, or village Zemindars, were inadvertently considered as the actual and sole proprietors of the lands for which they engaged, when estates were sold to liquidate arrears of revenue, we have seen to what an extent of injustice confiscations were carried ; and how greatly aggravated by the fraud and collusion of our own native servants. Though the evil was, as before explained, attempted to be remedied by Reg. I. of 1821,† it is to be apprehended, that act, like many others of the same description, will only avail to testify the good intentions of its authors, without producing its desired effect ; and that so much complicated atrocity, as therein described, will ever remain a reproach to our administration for at least

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\* Beng. Rev. Sel. vol. iii. p. 165. † *Vide supra*, p. 154 *et se*



precipitancy, and criminal negligence, which, considering the extent of injury committed, no sacrifice should now be thought, too great to repair.

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## SECTION XVI.

Landed property in India compared with that of ancient Europe—Greece, and Rome.

ALTHOUGH the property here described, is not a fee simple, or feudal tenure, according to the definition of English jurists, there are still many points of striking resemblance between ancient institutions and usages of India, and of Europe, which deserve to be noticed.

In the first place, I must observe, that I am unable to conceive any other *origin* of proprietary right in land, in any part of the world, than the simple one given by Menu, who lays it down as law, that cultivated land is the property “of him who cut away the  
“ wood, or who first cleared and tilled it,”  
in other words — labour and occupancy —\*

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\* This maxim coincides with the opinion of Mr. Locke, on the origin of the right of property. After the creation of

That this was the case universally in Hindoo countries derives considerable probability, if not confirmation, from a remark by Mr. Ellis, in a very able document on landed tenures in the Peninsula, commonly called his Meerassy

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man, and that God (as the Psalmist says) “ had given the “ earth to the children of men,” land and its fruits were common property. Every person, or every family of persons, might select for themselves ;

“ The world was all before them, where to choose  
 “ Their place of rest, and Providence their guide.”

and having appropriated to themselves what suited them best, without injury to their fellows — there being enough, and more than enough, left for others — and bestowed their labour thereon, it became, by natural right, their own. Mr. Locke’s words are —

“ Though the earth, and all inferior creatures, be common  
 “ to all men, yet every man has a property in his own person :  
 “ this nobody has any right to but himself. The labour of his  
 “ body, and the work of his hands, we may say, are properly  
 “ his. Whatsoever then he removes out of the state that  
 “ nature hath provided, and left it in, he hath mixed his  
 “ labour with, and joined it to, something that is his own,  
 “ and thereby makes it his property. It being by him re-  
 “ moved from the common state nature hath placed it in, it  
 “ hath by this labour something annexed to it that excludes  
 “ the common right of other men. For this labour being  
 “ the unquestionable property of the labourer, no man but  
 “ he can have a right to what that is once joined to, at  
 “ least, where there is enough, and as good, left in common  
 “ for others.”—Locke on Civ. Gov. vol. iv. p. 353.

Paper; who says, “ after diligent search I  
 “ cannot find in any work on Hindoo law,  
 “ text book, or commentary, any positive  
 “ precept or injunction, *conferring on any*  
 “ *description of persons property in land*, though  
 “ the existence of such property under a va-  
 “ riety of terms, and for a variety of purposes,  
 “ is alluded to in every page. The fact is  
 “ that the thing existed in India, when the  
 “ lawgivers wrote; and it was evidently su-  
 “ perfluous to prescribe what they found fully  
 “ established.”\*

In treating of European tenures, I am aware that I am about to enter on difficult and disputed ground. I enter upon it, however, with

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\* As proofs of the high civilization, and great superiority, of Europeans, we have instances, it is true, of their invading, and taking forcible possession of, primitive countries, and appropriating the lands, after extermination of the original inhabitants. On the extinction, or retreat, of the latter, the civilized invaders become proprietors of estates under specific grants from government, by whom the power of distributing the lands is, in such cases, naturally assumed; and these titles are deemed perfect, there being probably no primitive proprietor, or occupant, of the the soil to question their validity, or to oppose the usurpation. But this is a right founded on brute force, not on legitimate peaceable possession, and inapplicable to those states of society, whether in India or in Europe, which we are here discussing, as well as to the *original* peopling of all extensive continents.

no presumptuous design to controvert the opinions of learned and profound writers on this subject; but merely to give my own view of the state of landed property in Europe, in times which will admit of its being compared with primitive institutions in India.

In the states of ancient Greece, land, with few exceptions, was always private property. Under a democracy it could hardly be otherwise. In the history of Attica, we meet with a fact worth remarking in this place, that, although far more populous in proportion to its extent than modern Holland, and yielding to the state a larger public revenue than any other known country,\* still

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\* “ During the Peninsular war, the revenue of Athens “ amounted to 2000 talents, or 450,000*l.* sterling; a sum, “ which making allowance for the difference in the value of “ money, is far beyond what was ever enjoyed by a people “ possessed of so small a territory as Attica.” — Hill’s *Essays on Greece*, p. 256.

The extent of Attica is about 70 miles long, and no where more than 60 broad; of a rocky barren soil, and at no time yielding a twentieth part of the corn necessary for the subsistence of its inhabitants. Its dense population must, therefore, have been chiefly maintained by its commerce; and if we take the value of money formerly to be only ten times as great as in the present day, we shall have 4,500,000*l.* as the revenue of what in modern improved times would only be called a moderate-sized province.



landed property seems, like the estates of Jenmkars formerly in Malabar, to have been held so sacred, and inviolable, as never to have been subjected to a regular land-tax.

The public revenue was derived from the following sources.

1. The annual *rent* of *certain* lands and forests *belonging to the state*.

2. The twenty-fourth part of the produce of silver mines in Laurium.

3. A tax levied on strangers, i. e. not citizens—Metoikoi.

4. Duties on goods sold in the market-place.

5. A fiftieth of the value of goods exported, or imported, at the harbour of Piræus.

6. Contributions from allied or subjected states.

7. When these heads of revenue were insufficient to defray the expences of government, magistrates were appointed, who, every fifth year, made an estimate of the property of all the citizens, and exacted from each a fiftieth, or twentieth, or twelfth part of his *income*, as the circumstances of the state required. Although this tax was regulated by the number of medimni of corn, which each citizen derived from his estate, it was still

nothing more or less than a regular *income tax*.

8. During war, the richer citizens were expected to furnish a certain number of triremes at their own expence. About the age of Demosthenes, 120 persons were annually chosen out of each of the ten tribes; and the 1200 thus appointed, were required to pay all the *extraordinary* contributions demanded by the state.

In the levy of this extraordinary contribution, a custom prevailed very similar to what still obtains with village communities in India. Of the 1200 above-mentioned, 300 of the most opulent were selected, who paid the whole contribution to government; and they were then left to divide the amount among themselves, and the other 900, according to the proportions justly demandable from each.

These, I believe, were the only taxes in the time of Solon. When Pisistratus established himself in the sovereignty of Attica, he exacted from every Athenian citizen a tenth of his income; and employed his surplus revenue in decorating Athens with magnificent buildings. One half of this tax was afterwards remitted by his son Hipparchus. This, however, was still an income-tax. After paying

it, the citizens had the secure enjoyment of all the rest of their property.\*

Throughout the whole extent of the Roman empire, land was possessed by individuals in full property. A government originally republican, and consequently holding, or professing to hold, the rights of individuals sacred, never pretended to alienate, to assume, or even to participate in their possessions, further than to require, what all governments require in some shape for their support, tribute or revenue. In all their conquests the proprietary rights

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\* In the eighth number of the Foreign Quarterly Review there is a very able article on the letting of land, in which, among other things, the state of landed property in ancient Greece is particularly referred to ; and a copy is given of a very curious lease of land, granted to a farmer and his son for 40 years, at a fixed money rent, dated in the fourth year of the 108th Olympiad, or 345 years before Christ. In this article, as well as in the lease itself, the existence of private landed property in full right is abundantly confirmed ; whilst it appears from the lease, that in those days land was possessed by individuals (as mentioned in the text) *free of revenue or tax to the state* ; inasmuch as it provides for the eventual payment of a tax, should such be at any time demanded — a proof that no such tax existed when the lease was granted. The words of the lease are — “ And *if* a tax should be “ paid for the land to government, the said tax to be paid by “ the Aexonians (proprietors), or if paid by the tenant, to be “ deducted from the rent.”

of individuals were acknowledged and confirmed. A tenth of the product of lands was demanded from provinces which sought the protection of Rome, and lands thus assessed, were called Decuman, or Decumates.\* In others, imposts were levied, under the names of Stipendia, and Vectigalia; but the right of property was never questioned. Property in land, therefore, in these times, was, as in Hindoo countries, purely and universally allodial. In the Roman states, there were some public lands, and tilled on public account. From these lands, decumæ, tithes, or the tenth part of corn, and the fifth of other fruits, were demanded, as well in Italy as other parts. Those who farmed the tithes were called Decumani. The ground was also called Decumanus;† but

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\* *Omnis ager Siciliæ decumanus est.* Cicero. The country between the Rhine and the Danube, now called Suabia, had also the denomination of Decumates Agri.—Murph. Tac. vol. iv. p. 279.

† Menu's law is, that of grain, *i. e.* the produce of land, one-sixth, one-eighth, or one-twelfth part, according to the difference of the soil, and the labour necessary to cultivate it, may be taken by the King. Menu adds a salutary caution : —“ Let the king (he says) not cut up his own root by taking  
“ no revenue, nor the root of other men by excess of covetous-  
“ ness; for by cutting up his own root and theirs, he makes  
“ both himself and them wretched.” — Sir W. Jones' Works, vol. vii. p. 314.



these lands were all sold, or distributed, among the citizens at different times ; and the land of Capua, the last, by Cæsar. The *res mancipi*, and *prædia libera*, of the Romans in Italy give as complete an idea as can be conceived of absolute dominion over property.\*

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## SECTION XVII.

State of landed property among the ancient Germans. Points in which it resembled the existing properties of a Hindoo village.

WHEN Julius Cæsar, and, about a century and a half later, Tacitus described the manners and institutions existing among the tribes of Germany, the inhabitants of that extensive country were in a state partly pastoral, and partly agricultural ; that is, gradually passing from the wandering condition of shepherds into more fixed and settled habits. Cæsar describes their food, for example, as consisting chiefly of milk, cheese, and flesh of animals, and sparingly of corn. To procure the latter, tribes occupied and cultivated certain spots of land for a season, or more ; and then removed to another spot, as their wants, or

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\* Adam's Rom. Ant. p. 59.

wandering habits, prompted. With Roman notions of individual proprietary right, Cæsar and Tacitus could hardly conceive such an occupancy of land to be private or common property; and many later writers, adopting, perhaps, a greater latitude than those authors intended to give to their descriptions, have roundly asserted, that landed property was unknown among the German tribes; and that it had in fact no existence, till sovereigns, or conquerors, were graciously pleased to take to themselves all the lands of the earth, and to bestow them by royal grant, or charter, on their trusty and well-beloved captains.

But a joint, or common, occupancy of land was the only one suited to the semi-pastoral state of the German tribes. In an extensive and fertile country, thinly peopled, each tribe had abundant space for frequent changes of residence; and though the spot occupied was their own for the time, it could, from the nature of the case, be neither a permanent nor hereditary possession. The members of the tribe being all equal, in point of rights, were equally obliged to defend the common interests, or to follow a leader in war. War, indeed, was their constant occupation; and, whilst one portion of the community was employed abroad to rob and plunder, or to con-

tend with open enemies, the remainder guarded the flocks, or cultivated the lands of the community ; but these occupations being only followed by turns, the warrior of one year, being cultivator the next, and *vice versâ*, it is clear the land could be no man's property in particular. In this simple state of society all property was, in fact, common ; and whatever cultivation took place was necessarily for the common benefit.

As civilization advanced, which intercourse with the Romans tended to promote, and population increased, the tribes were necessarily restricted within narrower limits ; and finding their advantage, as they became more agricultural, in settling in particular spots, these spots became naturally the fixed and permanent property of the settlers. On these occasions, the custom seems to have been to apportion the lands, as in India, *by lot* to the different members of the Canton, or Pagus ; whilst the whole Pagus may have still preserved its character of a common tenure, maintained and cultivated for the common benefit. This was precisely the case in the Samadayum, Pasung Carei, and Vadiky tenures of the Peninsula of India, and in the Putteedary tenure of Hindostan.\*

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\* *Vide supra*, p. 241 *et seq.*

At this time all power was vested in the community itself. The property was their own, free from all acknowledgment of superiority, or condition of service, to a liege lord. The possessors of the largest herds and flocks, brave leaders in battle, or such as had gained numerous adherents, called by Cæsar, *Ambacti* and *Clientes*, and by Tacitus, *Comites*, were the persons of most influence and consequence in the community ; and to these, according to Cæsar, were committed the general direction of the affairs of the community, and the decision of disputes and controversies in time of peace ; whilst in war, magistrates, or leaders, were elected, armed with absolute powers, even of life and death. In Cæsar's time, it seems, therefore, doubtful whether the Germans acknowledged any regular submission to kingly government. In so large an extent of country as ancient Germany, differences would naturally exist in the state, and condition, of the various tribes. Some might have kings, or princes ; whilst others would regulate their own affairs by their chief men, or in general assembly.\* Cæsar mentions one king, *Ambiorix*, king of the *Eburones*, whose authority

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\* The tribes bordering on Gaul, and the Rhine, were the most civilized ; whilst some of those bordering on Sarmatia, and the Vistula, were in the lowest state of savage life.



was so limited as to be almost ridiculous. “*Sua esse ejusmodi imperia, ut non minus haberet juris in se multitudo quam ipse in multitudinem.*” With so much personal freedom, and independence, there are but few traces of civil government to be found. The submission of the people to certain chiefs was voluntary; and their propensities being all for war and plunder, every person was at liberty to avenge his own, or relations’ wrongs; whence enmities were hereditary, but not always irreconcilable; since murder was compounded by paying a certain number of cattle.

In these respects there are tribes existing in India not further advanced than the Germans of the age of Cæsar. Such, for example, are the Katties, Coolies, and Beels of Guzerat, and neighbouring districts. These tribes were never thoroughly subdued, or subjected to regular civil authority, by either the Moguls, or the Mahrattas; but lived by themselves, in detached bodies, without a semblance of government beyond, as in Germany, mere voluntary submission to the authority of their chiefs. War, robbery, and plunder, were equally their delight, as their openly avowed profession; and under no legal controul, they were equally free to compen-

sate injuries, or to avenge private wrongs. In both countries the tribes were equally barbarous, ferocious, and cruel towards enemies. The Indians here referred to are, like the ancient Germans, described to be “ active and “ hardy, patient of hunger and fatigue, vigilant and enterprising, fertile in expedients, “ secret in their movements, admirably calculated for night attacks, surprises, and “ ambuscades—and shewing on some occasions, extraordinary boldness in their attacks.” In one respect they differed essentially from the Germans, viz., the practice of female infanticide, which the Indian tribes justify as having been necessary to their security when in a wandering state ; which usage has since continued, and which in spite of the benevolent exertions of the British Government, has not, I fear, to the present hour been checked.

About two and a half centuries ago, these tribes, or some of them, were purely pastoral ; and as averse, as the primitive Germans, to regular industry ; but settling at length on lands which they cleared, and cultivated, labour and continued occupancy rendered them, like the lands in Germany, a real property in the hands of the settlers, subject to no condition of vassalage, or military service.

In both countries, like usages may thus be traced to shew the sources, or first beginnings, of landed property — to establish the fact, that neither in India, nor in Europe, was it *originally* a sovereign, but an individual, right; and that though sovereigns, in various parts of the world, have claimed this right, they never had a better title to it than conquest, violence, and usurpation. Whether any of the lands of these Indian tribes are cultivated in common, I know not. Certain it is that individual estates are numerous; and even if this should be the case with the whole, it is still but one of the natural consequences of settled and continued occupancy.

In the time of Tacitus,\* matters seem to have somewhat changed. Kings, or princes, were common in Germany, but elective, not hereditary; although it is supposed that, in the election, a preference was generally, if not always, given to the issue of the deceased king. The regal authority was, however, limited. Leaders, or commanders in war, were

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\* Tacitus published his tract on the manners of the Germans A. D. 98; and though the period of his death is not precisely known, it must have occurred previously to 117. Julius Cæsar was assassinated in the year 43 or 44 B. C. Tacitus's time was therefore about a century and a half later than Cæsar's.

often separate persons ; chosen by the people, but armed with absolute power. Jurisdiction was also vested in the priests ; that is—the commander in chief, had the power of adjudging, but that of punishing was in the hands of spiritual leaders, which gave to its infliction the character of a religious sentence. These were awkward encroachments on the boundaries of royal prerogative ; whilst the real power of the German princes must have been still more materially checked by the uniform effect of landed property, when enjoyed in full right by independent landlords.\*

War and plunder being the constant occupation of these tribes — distinction in battle the highest honor to which their leaders could attain — these leaders armed with absolute power—and to be enrolled as the follower of a

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\* In afterwards noticing the tribes separately, Tacitus mentions some, where regal government was more rigorously exercised ; one, the Suiones, where despotism was fully established. “ Riches (he says) are by this people held in great esteem, and the public mind, debased by that passion, yields to the government of one with unconditional, with passive obedience.” — (Vol. iv. p. 43.) Of another tribe, Sitones, he says, that they differ in nothing from the Suiones, “ except the tameness with which they suffer a woman to reign over them. Of this people it is not enough to say they have degenerated from civil liberty ; they are sunk below slavery itself.” — p. 45.



brave and victorious leader coveted, as an honor, by the multitude—it could not fail but that some of their chieftains would conquer large possessions ; and thus, by degrees, erect for themselves principalities, and kingdoms. According to the usage of these tribes, the conquered lands, or such as the chief and his followers chose to appropriate, were divided *by lot* ; and estates thus acquired would naturally be held in severalty ; whilst it is certain they were held without any acknowledgment of superiority, or service, to the leader, or prince. It is also probable that the conquerors would carry with them, into their new acquisitions, many of their own customs ; recognizing, nevertheless, such usages as they found established, and at the same time convenient to adopt. The common possession of land would, therefore, be continued in spots not seized in severalty by the warriors ; so that several, and common, properties might exist together, as we find they did in different parts of the same country, like the Pasung Carei, and Aruda Carei villages \*

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\* In Judge Blackstone's Commentaries, vol. ii. chap. 12, a description is given of " Estates in joint tenancy," which strongly resemble in many of their features the above-mentioned common village properties of the East. *Vide supra*, p. 243 *et seq.* also 289.

of India. Tacitus says of a German community, or Pagus, that it “takes possession  
 “of a certain tract of country proportioned  
 “to its number of hands; *allotments* are  
 “afterwards made to individuals according to  
 “their rank and dignity;” but the whole tract is still the property of the community. In another place he says — “the Germans  
 “have no regular cities; nor do they allow  
 “a continuity of houses. They dwell in separate habitations. *They have villages, but  
 “not in our fashion, with a series of connected  
 “buildings. Every tenement stands detached,  
 “with a vacant piece of ground round it.*” Here we have an exact description of the Pasung Carei, and of the Nattam,\* of a Hindoo village; the tract of country attached to the Pagus, or village, being common property, though allotted to certain individuals; whilst the spot of ground which encompassed the house in the Nattam, or place of residence, was the exclusive right of the occupant; and constituted in Germany the celebrated *Salic* land, which descended to the male issue, and never to the female line. “It was called *Salic*  
 “*land*, because the mansion of a German was  
 “called *Sal*, and the space inclosing it *Sal*-

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\* *Vide supra*, p. 243.

“ *bac*, the homestead. Hence the law of the  
 “ Franks, that regulated the course of descent,  
 “ was called the *Salic* law;”\* and the usage  
 which gave rise to it is almost exactly paral-  
 leled by an ancient Hindoo rite.

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### SECTION XVIII.

Changes which occurred in landed tenures after the irruption of the Northern barbarians into the Southern and Western countries of Europe. State of the Saxon barons of England compared with the ancient landlords of India, and with institutions still in force in Rajasthan.

IN process of time these barbarous warriors over-ran, and mastered, the provinces of the Roman empire. One object of conquest being plunder, and, in these poor times, there being no property to seize but land, which in the Roman provinces was all possessed and occupied by individuals, the invaders took to themselves as much of these lands as they chose to appropriate; expelling the ancient proprietors, and leaving others — where the whole were not, as in some instance, exterminated — in the possession of their allodial rights.

From the earliest times of land becoming

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\* Murph. Tac. vol. iv. p. 237 and 251.

private property among the German and Northern nations, there seems to be no proof of its having any other character than that of pure allodality. It is also the most reasonable conclusion. When the barbarians settled themselves in new conquests, the lands which they thought proper to seize, and other booty, being divided among the captors by lot, as the recompense due to their valour, and acquired by their own sword, it is not likely that men, like the Huns, Alans, Goths, &c., living in a degree of freedom and independence scarcely compatible with a state of civil union—who acknowledged no superior lord—who followed a leader to war and plunder from choice, not constraint—and who considered conquests as common property, in which all had an equal title to share—would subject themselves to subordination, and conditions, in regard to land, from which in all other respects they were wholly free. We may, therefore, reasonably conclude that property, in these early times, was much in the same predicament as it is found among other barbarous nations in a like state of society; and in which it is still found among the uncivilized tribes of India.

When the conquerors settled in their new acquisitions, and agricultural habits had led



to improved degrees of civilization, landed property became more and more precious in the estimation of its haughty and independent possessors. In times of so much anarchy and violence, it was, however, necessary to guard it against attacks from surrounding foes, and from invasion by fresh hordes pouring in from the Northern hive. For this purpose every landlord, or free man, had an obvious interest to concur in a general compact to bear arms, and to do military service for the common defence, or common benefit. A tacit compact to this effect existed from the earliest times of which we have any knowledge of the barbarous invaders. Laws were subsequently enacted, making the duty imperative. In the reign of Chilperic, King of the Franks, and in the subsequent reign of Childebert,\* laws are quoted to this effect, with heavy penalties attaching to disobedience, or refusal to comply therewith. Even the Capitulars of Charlemagne, quoted by Dr. Robertson, are of the same tenor; every free man—" *liber homo*"—who possessed land in allodial property, being bound to take arms " *in defence of the community.*"

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\* Chilperic began his reign A. D. 562; and Childebert A. D. 576.

With property, civil government came to be established ; and, naturally, as in all other barbarous and ignorant societies, assumed the monarchical form. A successful conqueror, holding kingly power, could never want the means of rewarding his favourites, and followers, from forfeited or confiscated lands ; or from lands seized as public property ;\* or from what remained, after partition, which were considered as belonging to the community, and denominated the “ lands “ of the fisc ;” or finally from his own portion, which must always have been the largest allotment. Grants from these sources were common, binding the grantee, however, to nothing more, at first, than fidelity, without any obligation of military service, or attendance in the court of his superior. Subsequent grants involve a promise of protection, with certain castles or lands to the grantee, who, on the other hand, engages to defend the

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\* “ Under the Romans, when cities enjoyed municipal “ privileges and jurisdictions, *the circumjacent lands belonged “ to each town, and were the property of the community.* “ When these lands were seized and shared among the conquerors, the barons to whom they were granted erected “ their castles almost at the gates of the city,” &c. — Rob. Char. V. vol. i. p. 296.

grantor, and to assist him in defending his property whenever he shall be summoned to do so. These grants appear to be rather a mutual contract between equals, than the engagement of a vassal to perform services to a superior lord; but contracts of this description were soon converted into rights, and imposed on the grantee a positive obligation of personal service and fidelity to him from whom he had received his lands. They were termed *Beneficia*, held originally during pleasure, or for the life of the grantee, and ultimately made hereditary. But these grants were not exclusively acts of royal munificence. *They were at all times bestowed by individual proprietors as well as by kings.\** In process of

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\* Without meaning to controvert the opinions of learned and profound writers on this subject, I would merely observe, that a close inspection of Du Cange, and other ancient authors, will, I think, be found to confirm the view given in the text of the course of landed tenures in Europe. It is at all events a natural and consistent progress; but a question hence arises, that if these were the only grants known previous to the ninth or tenth century, and that they were the acts of *individual proprietors* as well as kings, how came such individuals to have the requisite dominion over the property so granted? If all land were originally crown property, and private estates no other than beneficiary tenures, it is clear that a beneficiary could not bestow any portion of that

time Beneficia became feudal tenures ; by which the grantee was seized of his lands

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estate upon another, much less do it with a reservation to heirs.

But the state of society in the times referred to would seem to afford a satisfactory answer. Previously to the irruption of the northern invaders, lands in the southern countries of Europe were held generally, as in India, in allodial right. When the barbarians settled in their new conquests, they imported from Germany an unrestricted system of equal rights ; and conquered lands, like every other description of property, being then divided among the captors by lot, the king or leader only got his own allotted share. At this time the seized lands must also have been appropriated in pure allodial right. The new settlers, therefore, as well as those of the aborigines, who retained their property, had that dominion over it which enabled them to sell, mortgage, bequeath, or grant, unrestrained by any superior lien or other incumbrance. Their earliest grants were equally free — *ex mero dantis beneficio et liberalitate* — because at first no necessity existed for making extraordinary or particular provision for cases of war. In those days every freeman was a warrior ; and battle, and plunder, his chief profession and delight. The institutions and usages of the ancient Germans were moreover a sufficient precaution against all emergency of this description. The tribes or nations, according to Cæsar (book vi. chap. 20.), were subdivided into cantons or *pagi*, each of which sent yearly into the field a specified number of armed men ; and this continued to be a law to the landholders of Europe, like unto the *Nadus* of Malabar (*vide p. 278*), for several successive centuries. The *herebannum* was not only in force, but the penalties of it rigidly exacted.



to hold to him and his heirs for ever; but bound to follow the standard of his liege lord, with a number of men proportioned to the extent of his possessions, and to bear arms in his defence. Fealty and homage were also required of the vassal or tenant; together with the other services and incidents\* attaching to this peculiar tenure.

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In process of time, as the possession of property gave to these ferocious conquerors more settled and pacific habits; and, fixing them by interest and inclination to specific spots, restrained their roving and predatory propensities, the possessors of large estates, who were always quarrelling with their neighbours, found it necessary to stipulate for military service as the condition of beneficiary tenures; and the same causes operating from age to age, with greater and greater force, on a society thus constituted, at length produced the establishment of Feuds or Fiefs, which, after the ninth or tenth century, grew up into universal usage throughout Europe, with all the services, incidents, conditions, privileges, and honours, attached to this peculiar tenure.

\* The usages termed feudal incidents were, according to Blackstone, "Aids, Relief, Primer Seisin, Wardship, Marriage, Fines for Alienation, and Escheat; and to these he ascribed a feudal original, although he admits the feudal system to have been only introduced into England by William the Conqueror. Those who have read Blackstone's Commentaries will readily call to recollection the peculiar rights and duties included under these respective heads. But these usages, or at least some of them, existed in England, and in

When conquerors thus dealt out districts to their superior officers, by whom smaller

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other parts of Europe, long previous to the establishment of feudalism.

Usages of this description are likewise to be met with at the present day in everypart of India. The privileges and Nuzeranas of Mahratta princes and chiefs, adverted to in *Vol. I. p. 251*, and the practice of Zemindars or landlords, noticed *supra*, in *p. 59* and in *p. 71*, &c., and again in *p. 327*, &c. as well as in the authorities referred to, are but modifications, or perhaps prototypes, of the aids, reliefs, wardships, fines, and escheats, of the feudal system.

Blackstone mentions another feudal usage, called Scutagium, or Servitium Scuti, or service of the shield or of arms (in Norman-French, Escuage), being a pecuniary satisfaction which came at last to be levied by assessment on every knight's fee as a compensation for military service. And Du Cange mentions it as the consequence of the frequent wars in which the kings of England, after the Conquest, or in the thirteenth century, were engaged. — “Unde murmur, et multiplex querimonia populo resonabat, eo quod rex tam crebro sine profectu vel honore suos nobiles depauperat et fatigat, et instanti tempore messium toties scutagium exigens inquietat.” It is remarkable that the same cause occasioned similar assessments to be levied from the nobles and landlords of Canara, after the country had been harassed and ravaged by frequent and destructive wars (*supra*, *p. 260.*), whilst we have no knowledge of scutages, or land-taxes, being levied in Malabar, the Jenmkars of that district preserving unimpaired their ancient rights and usages, until subdued by Hyder Aly in 1763.

These incidents were considered in feudal times as more

allotments were again granted to inferior officers and soldiers—and every grantee binding

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particularly attaching to the tenure by chivalry or knight-service. Blackstone mentions others of a less honourable nature, which it would extend this note to too great length to examine minutely. I shall therefore confine myself to one, the Socage tenure, Socagium, or Servitium Socæ, which Blackstone also ascribes to a feudal origin, although it boasts a far higher antiquity. Whatever privileges or rights may now attach to the Socage tenure (since the abolition of knight-services by 12 Car. II.), in ancient times it appears to have been nothing more than a tenure by services of husbandry;\* that is, by right of labour and occupancy; the Sokeman or tenant being bound to his lord to plough, sow, and reap the land, &c. In process of time, this service was changed into an annual rent by consent of both parties; whilst in memory of its original it still retains the name of Socage or plough-service. This also was a grant, not derived either mediately or immediately from the king, but by a lord to his own tenant; and being only liable to acts of husbandry, no military or personal service could be exacted, as of right, by the lord.

In like manner the Kuy Kanum tenure of Malabar, described in *p.* 277, is a grant, the renders of which are pure husbandry services; and though the grant was resumable after a certain period, it usually settled into a hereditary possession, on payment of a moderate fixed rent, subject of course to the Jenmkar, or lord's superior right. The points of resemblance will be most striking, if the Kuy Kanum be compared

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\* Although Blackstone objects to this definition, it is the one given by most ancient authors.

himself to the grantor by oaths of fealty, and of personal service, both at home and in war — the givers as well as the receivers, became mutually bound to defend each other's possession, so that whole kingdoms were thus compacted by nearly the same ties as bind together a military association or encampment.

The position, indeed, of these barbarian conquerors, after possessing and settling themselves in the Roman provinces, joined to their former habits, naturally gave an early rise to military and personal services in subordination to some acknowledged chief; and when military service afterwards assumed a more specific character, on the complete establishment of feudalism in Europe, it was but a

with the Socagium, in times when the civilization of these two parts of the world were also nearly on a par.

As the Socagium was not derived either directly, or mediately, from the king as lord paramount, but from a lord to his own tenant; and being only subject to renders of husbandry, no military or personal service could be exacted, as of right, by the lord; so the Kuy Kanum is a grant of the Jenmkar's own exclusive authority to his tenant, subject only, like the Socagium, to husbandry services; and though the Socagium in feodal times was liable to much the same incidents as attached to the chivalry tenures, yet these I take to be usages naturally arising out of the state of society in the days referred to, and which we find to be nearly paralleled in the Nuzeranas, fines, and escheats of modern India.



consequence or rather modification of an usage which the natural propensities of these invaders, prescription, and even law itself had, from time immemorial, familiarized to all branches of the community.

It is thus, too, that military leaders raised themselves by successive encroachments to the possession of arbitrary power. As royal dispensers of rewards and favours, they were looked up to, and readily acknowledged, as the fountain of all honours, and gradually assumed a right over landed property, whence it came to be avowed as a fundamental maxim (as Blackstone informs us), that “ the king is universal lord and original proprietor of all the lands in his kingdom, and that no man doth or can possess any part of it, but what has mediately or immediately been derived as a gift from him, to be held upon feudal services” — a doctrine which the learned judge himself considers as out of the natural order of things, and, therefore, a mere fiction of law to sanction a usage which at this time prevailed universally in Europe.

As the properties, however, and, consequently, the power, of the barons increased, that of the monarch became proportionally restricted. He was the greatest landed proprietor of his dominion; but exercised a li-

mitted authority over his nominal subjects. The powerful nobles soon found means to appropriate to themselves titles of honour, and offices of power and trust, and to render them hereditary in their families. They also assumed both civil, and criminal, jurisdiction within their own estates; the right of coining money; the privilege of carrying on war against their private enemies, and of their own authority; so that the appearance, even of the original feudal subordination, scarce remained.

This seems to have been the state and the course of landed property in Europe, from the earliest times. In the fifth and sixth centuries, the lands conquered, and acquired, by the barbarians, were purely allodial. In several parts of Europe, property had become very generally feudal by the beginning of the eleventh century. Grants conveying allodial rights, are, nevertheless, traced in Italy and Germany, down to the fourteenth century.\* After the establishment, however, of the feudal system in Europe, and when honours, privileges, and distinctions, were exclusively conferred on

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\* “ Muratori observes that the word *Feudum*, which came “ to be substituted for *Beneficium*, does not occur in any authentic charter (in Italy) previous to the eleventh century.” *Rob. Char. V. vol. i. p. 269.*

feodal, not only to the injury, but often to the extreme mortification, of allodial, proprietors, the feudal tenure came to be preferred ; and beneficiaries, and even allodial landlords sought to exchange their titles for such as were esteemed more honourable. In this way large quantities of land were surrendered into the hands of the king, to be returned to the proprietor with the conditions of a fief annexed.\* The prepossessions, indeed, in fa-

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\* In the times referred to, the holders of fiefs had eminent advantages over allodial proprietors. They could avenge their own quarrels, which allodial proprietors could not, who had therefore no means of defending themselves. War and conquest being the only sources of honour in the dark ages, and the king, as head of the community, the fountain from which they flowed, it naturally followed, that distinctions and privileges should be conferred on his favourites and retainers alone. “ Allodial proprietors, therefore, having no pretensions of this kind, were treated with contempt as a kind of poltroons. From this disagreeable situation they wished to free themselves, by converting their allodial property into feudal tenures ; while the princes, supposing it their interest to extend those tenures as much as possible, discouraged the allodial possessions. As the feudists supported the importance of the nation, and dignity of the monarch, it was not thought proper to allow the allodial proprietors any greater compensations than what were given to vassals in similar cases. Thus they were exposed to continual mortifications in the courts of justice ; they were neglected by the king ; denied sufficient protection by the laws ; ex-

vour of this kind of property, were such that many other things, besides land, were granted, and held, as fiefs ; such as casual rents, the profits of a toll, the fare paid at ferries, the salaries or perquisites of offices, pensions, and even the profits arising from masses ; for all which military service was promised and exacted.

But of landed property, the character was thus altogether changed ; and the notion seems hence to have arisen, that it must, in all times, have been a royal prerogative, because a fee-simple, or fief, was originally a royal grant. All the lights, however, to be drawn from ancient institutions, tend to prove that landed property originated in individual labour, and fixed occupancy ; was held by individuals, as freemen, for many centuries in full right ; and that it did not lose its allodial character, until it was sub-

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“ posed not only to continual insults, but to have their property on all occasions destroyed by the great ; so that they were without resource except from the feudal tenures, and were obliged even to solicit the privileges which were bestowed in other cases on vassals. In these unhappy circumstances, they were glad to yield up their lands to any superior, whom they thought most agreeable, and to receive them back from him as a feudal gift. Thus the landed property was every where changed into feudal tenures, and fiefs become universal.”—Enc. Brit. vol. viii. p. 596.



verted, both in the East, and the West, by the violence and usurpation of military conquerors.

Feudal law, and feudal tenures, were only introduced into England with the Norman conquest. The jurisdiction and authority of the Saxon lords in England was as great before the conquest, as that of the Norman lords after it. The following account of our Saxon ancestors is given by Adam Smith —

“ Upon the authority, which the great proprietors necessarily had in such a state of things over their tenants and retainers, was founded the power of the ancient Barons. They necessarily became the judges in peace, and the leaders in war, of all who dwelt on their estates. They could maintain order, and execute the law, within their respective desmesnes, because each of them could there turn the whole force of all the inhabitants against the injustice of any one. No other person had sufficient authority to do this. The king, in particular, had not. In those ancient times he was little more than the greatest proprietor in his dominions, to whom, for the sake of common defence against their common enemies, the other great proprietors paid certain respects. To have enforced payment of a small debt within the lands of a proprietor,

“ where all the inhabitants were armed, and  
 “ accustomed to stand by one another, would  
 “ have cost the king, had he attempted it by  
 “ his own authority, almost the same effort  
 “ as to extinguish a civil war. He was,  
 “ therefore, obliged to abandon the adminis-  
 “ tration of justice, through the greater part  
 “ of the country, to those who were capable  
 “ of administering it ; and, for the same  
 “ reason, to leave the command of the coun-  
 “ try militia to those whom that militia would  
 “ obey.

“ It is a mistake to imagine that those  
 “ territorial jurisdictions took their origin  
 “ from the feudal law. They were all rights  
 “ possessed *allodially* by the great proprietors  
 “ of land several centuries before even the  
 “ name of the feudal law was known in  
 “ Europe.” \*

In this description of our Saxon ancestors  
 we have an exact picture of the Jenmkars of  
 Malabar,† previously to the invasion of Hyder  
 Aly, and probably of what Swamy Bhogum-  
 kars, and Meerasseedars, were formerly in  
 other parts of India.‡ The progress, indeed,

\* Smith's Wealth of Nations, vol. ii. p. 220. M'Culloch's ed.

† *Vide pages 268--274, also 278, et seq.*

‡ There are other parts of India in which the same powers  
 are still exercised by allodial landlords. In Cutch, for ex-

of landed proprietary rights in Europe may thus be paralleled, in all its stages, among the various tribes, civilized and uncivilized, now existing in India, with the exception of the feudal tenure, which seems to me to have arisen out of the peculiar circumstances of Europe, after the settlement therein of the Northern hordes, and to have been altogether unknown among the original tribes. We have nothing in India, that I know of, analogous to the feudal tenures of Europe. The Jaghire of India most resembles the ancient *beneficium*; but we have abundant traces of allodial property in both countries, coupled with usages bearing a striking resemblance to each other.

In a late splendid and able work on *Rajasthan or Rajpootana*, an attempt has been made to prove the existence of a feudal system of great antiquity in that country; and an inference is thence drawn that it travelled westward with the Barbarians who conquered Europe, and was by them transferred to this quarter; but many of the usages adduced in proof of this hypothesis, as existing in both countries, are usages common to the

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ample, it is stated, that "the Row's (Prince's) ordinary jurisdiction is confined to his own *desmesne*; each *Jahrejah* chief (Baron) *exercising unlimited authority within his own land.*"—*Ham. Art. Cutch.*

allodial proprietors of Europe, long before the name of feud or fief was known here.\* The grants of land by princes, copied into Colonel Tod's Appendix, are all of modern date, or between 1725 and 1818; and, therefore, subsequent to a long succession of ages, in which seizures, confiscations, and escheats must have been numerous, and the necessity for military service as urgent as during any, the most martial, period of the middle ages.

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\* "Muratori observes that the word *Feudum*, which came "to be substituted in place of *Beneficium*, does not occur in "any authentic charter previous to the eleventh century. A "charter of king Robert of France, A. D. 1008, is the earliest "deed in which I have met with the word *Feudum*." — Rob. Char. V. vol. i. p. 269.

The distribution of land among cultivators by hydes, referred to by Col. Tod, and compared with the Rajpoot similar usage called "*Chursa*," had existence in England from the beginning of the Anglo-Saxon government.

The division of a country into hundreds was also a Saxon institution in England. Compounding for crimes and offences, and customary dues like those compared with the "*droits de giste et de chevauché*," were of far greater antiquity than the days of feudalism.

The levy of Rajpoot chiefs does not resemble the *Champ de Mars* of the French, more than it does the *Wittenagemote* of the Anglo-Saxons, in which, principes, optimates, magnates, procures, all the leading men in the kingdom, that is, the allodial proprietors of land, were assembled.

These, and other usages compared by the author, are institutions which, as regards Europe, existed long before the days of feudalism. In the documents contained in Col. Tod's



That usages and institutions should have risen up in Rajasthan, similar to those of the middle ages in Europe, is likely enough from the similar circumstances in which both countries were placed. Both were exposed to the constant attacks of furious invaders, and to the turbulence of domestic hostility; and both adopted such means of defending their possessions, and rights, as were naturally suggested to the minds of men where property, government, surrounding dangers, and the stimuli to activity and exertion, were nearly on a footing.

In a country where a constant state of military array is found to favour usurpations, and

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appendix to the chapter on the "Feudal System of Rajasthan," as well as in the chapters themselves, there are also many passages strongly indicative of a state of property, among the Rajpoots, similar to that of Malabar, Canara, and other parts of India. The Bhoomia of Rajasthan is a true allodial proprietor; and his Bhoom, a property in absolute dominion, subject to no burthen but that of public defence: whilst the "Khalisa, or fiscal land" was literally nothing more than the Prince's own desmesne — that is, the best, the richest, the best protected, and likewise the largest, estate of the whole principality.

But the able work here referred to may safely be consulted for a full confirmation of the identity of usages (whether strictly feudal, or otherwise) in the western and eastern families of the earth, in times when the state of their respective civilization is likewise found to correspond.

the gradual attainment, by victorious leaders of arbitrary power, the holder of that power will naturally use it for the extension of his own privileges and prerogatives. He would seize, for example, on conquered, or sequestered, or forfeited, or escheated lands to bestow them on his adherents or favourites, but subject, of course, to military service, and to personal attendance at his own court. In such a country we might naturally expect to find landed tenures of the same nature as European fiefs ; together with other, or the unviolated, portions of landed property still retaining their original character of pure allodality. Such, in fact, appears to be the actual state of Rajasthan, and such was the actual state of Europe until, after the ninth or tenth century, other causes, and other influences led to the universal adoption of the feudal law.

That the feudal system of Europe was the creation of the peculiar circumstances of the times in which it was established, may be inferred from the following considerations :—

First, the name itself was unknown to any of the Northern tribes, until long after they had settled themselves in their Southern conquests.

Secondly, The feudal system being much more calculated for defence than foreign conquest, had it been pre-established in the

plains and forests of Scythia, or Germany, it would have more probably attached the invaders to their possessions, than have sent them forth in such swarms to seek for new settlements.

And thirdly, it is at variance with all we know from authentic records of the laws and manners of the ancient Germans. We are, therefore, naturally led to enquire whence the Celtic kings or leaders could possibly derive such a power over property generally. It is true that kings, and military kings in particular, are apt to fancy themselves possessed of paramount rights, and to forget that all their power must either be derived from the people, or exercised with their consent ; but a Celtic leader could be under no such mistake. Nothing in history is better authenticated than that the earliest Germans possessed no such power in their primitive abodes ; and when they settled themselves in the Roman provinces, the conquered lands being partitioned by lot among the victors, the king or leader only received his *allotted* share. Neither could they have derived this power from any Roman usage. It is true that the Romans were habituated, from the commencement of their conquests, to allot parts of the conquered territory to a number of Roman citizens, on which towns were built, or colonies placed for the defence

and preservation of the province. Whole legions with their tribunes, centurions, and subordinate officers were placed in these colonies, and tilled the lands committed to them for their support. The Romans, indeed, never considered a nation completely subdued until they had established among the natives Roman arts, customs, and laws. But the right of property in absolute dominion was one of them; and it is not likely the Romans would interfere with this right in the provinces they subdued, except in as far as regards the lands, which, as conquerors, they would naturally seize for their own support. When the Northern hordes, therefore, established themselves in the Roman provinces, they found the principle of allodality every where prevalent. Neither was it changed by them or their successors, for a period of about 400 years. We may, therefore, be assured that allodality was the original character of landed property in Europe, as it is found to be to this day in India — military service for the defence of the community being a law equally imposed on allodial proprietors in both countries. Feudal tenures properly so called, must, therefore, be admitted to have arisen out of predisposing events and causes, at a much later period, and to be exclusively



of European birth. It is, perhaps, no slight confirmation of this argument, that in all other respects but the fief, the character of landed property in Europe, is, as we have seen, exactly paralleled by the usages of the East, in the corresponding stages of their respective civilization; whilst a more exact counterpart of an allodial Hindoo proprietor cannot be given, than in the picture above copied from Adam Smith, of the barons of England under the Saxon regime, or from the end of the 8th century, to the Norman conquest, A.D. 1066.

It is not, however, intended in drawing this parallel, to infer that the usages of one country are derived from the other. The parallel is of most use to shew that similar states of society will produce similarity of usages, and condition, among nations far removed, and holding no intercourse with each other. Dr. Robertson quotes a profound remark, on this head, by a philosopher \* “ that the characters of nations depend on the state of society in which they live, and on the political institutions established among them; and that the human mind, whenever it is placed in the same situation, will, in ages the most distant, and in countries the most

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\* Rob. Char. V. vol. i. p. 263.

“ remote, assume the same form, and be distinguished by the same manners.”

The assertors of Hindoo incapacity, would do well to reflect on this remark. If the political state, and social institutions of this people be advisedly weighed—if the darkness and despotism, of which they have been the victims for so many centuries, be fairly estimated—if the facts contained in this treatise, be contrasted with the stationary, and at times retrograde state of Europe, during the middle ages, and from the same causes—and if it be also considered that human improvement must be rooted in the mind, and that man can neither advance his condition, nor moral qualifications, unless the soul within him be moved to expansion by the circumstances in which he is placed, we shall not only perceive the force of the parallel, but be enabled more satisfactorily, and more rationally, to account for the observed torpor of Indians, than by ascribing it to so vague and undefinable a cause as immutability of caste, or natural imbecility of character.

## SECTION XIX.

Further points of resemblance between Hindoos and ancient Germans.

Metayer system of Europe compared with that of India. Laws of inheritance alike in both quarters.

BESIDES the points of resemblance above adverted to, between the Hindoos and ancient Germans, there are others which may be briefly noticed. Such is the practice of human sacrifices;\* their modes of administering justice; trials by ordeal; and compensation by fines for all descriptions of private wrongs;† the custom of approaching chieftains, and persons of consequence, with valuable presents. Tacitus mentions one usage of the ancient Germans, which is very remarkable, and as regards India is, I believe, peculiar to the Nayrs of Malabar. “ With  
“ some (he says) the relation of the sister’s  
“ children to their maternal uncle, is held

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\* The Gonds, and other wild tribes of the interior of India, offer human sacrifices to their gods to the present day. Whether these tribes are really of Hindoo origin is doubtful; but they also have features of resemblance to the Germans of the days of Tacitus.

† Compare Murphy’s Tacitus, vol. iv. p. 24, and the note referred to, with the laws of Menu, as translated by Sir W. Jones, on the subject of composition for crimes and injuries.

“ to be the strongest tie of consanguinity ;  
 “ insomuch that, in demanding hostages, that  
 “ line of kindred is preferred as the most en-  
 “ dearing objects of the family, and conse-  
 “ quently the most tender pledges.”\* The  
 Catties abovementioned worship the sun,  
 and hold the moon in great veneration.  
 Cæsar says, of the ancient Germans, that  
 they acknowledged no gods, but what were  
 perceptible to sight—the sun, moon, and fire.†  
 The Catties practise polygamy, which, ac-  
 cording to Tacitus, was not very uncommon  
 among the Germans. The devotion of wives  
 to their husbands in India, is well known,  
 even to the excess of burning with the bodies  
 of their deceased lords ; whilst widows, who  
 prefer to live, never think of marrying again.  
 Tacitus says of German wives, “ When the  
 “ bride has fixed her choice, her hopes of ma-  
 “ trimony are closed for life. With one hus-  
 “ band, as with one life, one mind, one body,  
 “ every woman is satisfied ; in him, her hap-  
 “ piness is centered ; her desires extend no

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\* Murphy's Tacitus, vol. iv. p. 24.

† In Tacitus's time, the Germans also sacrificed to Mer-  
 cury, Hercules, and Mars ; worshiped Isis under the figure of  
 a ship ; and held certain woods and groves as spots conse-  
 crated to pious uses.



“ farther ; and the principle is not only affection for her husband’s person, but a reverence for the married state.” In a note on this passage in Murphy’s Tacitus, it is added : “ In the epistle from St. Boniface already cited in this section, we are told that among the Vinedians, a rude and barbarous people, the sanctity of marriage was observed with so much zeal and mutual affection, that the wife, on the death of her husband, dispatched herself, *that her body might be burned on the same funeral pile with the man she loved.* Procopius gives an account of the same conjugal fidelity among the Heruli.” Adultery is punished in both countries by expelling the adultress, exposing her to public shame, and the singular custom of cutting off her hair. A German, according to Tacitus, transacted no business, public or private, without being completely armed. Formerly every Indian went armed to his plough. In many parts the practice is still common. A German chief prided himself on the number of his retainers. We have seen (*p.* 279,) how this also was the glory of a Malabarian Jenmkar.\* Besides their ordinary

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\* Tacitus gives the following account of a German chief : — “ The chief judges the pretensions of all, and assigns to

habitations, the Germans had a number of subterraneous caves dug by their own labour,

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“ each man his proper station — a spirit of emulation prevails  
 “ among his whole train, all struggling to be the first in fa-  
 “ vour, while the chief places all his glory in the number and  
 “ intrepidity of his companions. In that consists his dig-  
 “ nity : to be surrounded by a band of young men is the  
 “ source of his power — in peace his brightest ornament — in  
 “ war his strongest bulwark. Nor is his fame confined to his  
 “ own country ; it extends to foreign nations, and is there of  
 “ the first importance, if he surpasses his rivals in the num-  
 “ ber and courage of his followers. He receives presents from  
 “ all parts ; ambassadors are sent to him ; and his name  
 “ alone is often sufficient to decide the issue of a war.” —  
 Murph. Tac. vol. iv. p. 18.

In reading this description, an old inhabitant of Malabar may perhaps recal to mind the character of men like Kyderee Amboo, and Uni Moota Mapilla. These distinguished chieftains were, for some years after our possession of the province, the terror of some of its inhabitants ; but the admiration of others. The former was not put down till the Madras Government marched a large army into Malabar, sufficient to disarm all its inhabitants. The fate of the Mapilla chieftain was at least more honourable to his victors. Capt. Watson had the merit of raising and training a corps of Nayrs, which he always commanded in person on every dangerous and important service. His contest with Uni Moota was one of the most chivalrous of his rare and useful exploits. It was undertaken and conducted by Capt. Watson with so much skill and perseverance, at the head of his Nayr band, that he at length accomplished the final overthrow and death of this formidable and intrepid warrior. Many other Malabar chiefs were highly esteemed by their followers and country-

and carefully concealed. From the numerous caves discovered in India, it is probable this was also a practice in former times with the inhabitants of that country.

But the point of most importance here is the question of property, and in these early times the only property, of any considerable value, was land.

On this head, therefore, I shall merely advert to one more point of resemblance, viz. the practice common to both countries of dividing the produce of land between the proprietor, and tenant or actual cultivator. This is well known in France, and other countries of Europe, under the denomination of the *Metayer* system. Generally speaking, this is considered as an equal division of the produce, half-and-half;\* but in some provinces, (as in India), lands are held at *tier franc*, or a third of the produce; in others, a fourth, &c., according to the qualities of soil, and other circumstances. Where the system only yields a bare sustenance to the *Metayers*, the proprietor is obliged to furnish live stock, seed, buildings, repairs, and implements—in other

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men; but such was the fame of these two leaders, in particular, that I can remember when their praises were chaunted in songs through all the principal bazars of the province.

\* In some parts it is also called “a *moitié fruit*.”

words to supply the capital requisite for the cultivation of the farm. On some occasions the necessary expences and charges are borne, in fixed proportions, by both. Both these methods are also practised in India. In the time of Arthur Young, or in 1792, it was computed, that seven-eighths of the lands of France were held by this tenure, and extreme poverty and bad husbandry were its characteristic features ; insomuch, that Mr. Young describes lands in France, as only letting for about one-fifth of what lands of the same quality would let for in England.\*

Dr. Adam Smith classes the Metayer system among the discouragements of agriculture ; but so long disused in England, that he can find no English name for it. He also considers it a step in the progress of improvement from the state of slave-cultivation, which formerly prevailed ; the Metayers being a class

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\* Since the revolution, some of the occupiers of land in France have been raised to the rank of proprietors ; but it is computed that more than one-half of the whole kingdom of France still labours under the intolerable evils of the Metayer system ; so that “ the business of cultivation (according to a French writer in the *Revue Trimestrelle* for April, 1828) is entirely carried on by the poorest and most ignorant persons ; and agriculture the most abject and degraded of all employments.”



which arose by degrees, and favoured by peculiar circumstances, out of the *adscripti glebæ* of the middle ages. But the system both of slave-cultivation, and of cultivation by freemen at a *proportional* share of the produce, seems to have been common in Europe, as in India, from the earliest times; for the latter description of cultivators were known to the Romans under the name of *Coloni partiarii*. In India, the practice of dividing the actual produce of the soil was formerly universal, and having been in use from time immemorial between landlord and Ryot, was adopted into the revenue systems of the East, when sovereigns thought proper to substitute themselves for the true landlords of estates, and to appropriate the whole rent in the shape of public revenue. In India too, as in Europe, the effect of this system has been extreme poverty to the great mass of agriculturists; that is, in the times alluded to, to the great mass of the people. In *Vol. I. p. 568*, we have seen, on the authority of Mr. Colebrooke, the wretched state to which the Indian Ryot is reduced who cultivates at half produce; the necessity he is under of anticipating his annual crop for seed and subsistence; and of borrowing for both, as well as for his cattle, and for the implements of husbandry, at an usurious

rate of interest; whilst the common practice of Tuccavy,\* or an advance of capital to assist Ryots in the annual cultivation of their lands, is not only another point of resemblance, but a proof also of the indigence of this very important class of the community.†

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\* *Vide supra*, p. 59.

† Of the following account of the system in France by a French writer, an exact copy may be found in many parts of India, both as regards its operation, and its effects. By substituting the word “revenue” for “rent,” and “Government” for “proprietor,” the description will equally suit both countries. “Sometimes a middleman, under the name of a *farmer*, is interposed between the landlord and the metayer. “This third party is for the most part a cunning inhabitant who “agrees to pay the landlord (government) a certain rent (revenue) independent of variations of harvests, acquiring in return a right to his share of the produce raised by the metayer. “The middleman takes no part in the labours of cultivation, “but he attends at all the harvestings of the metayer; he follows him to every market to get his half of the price of the produce. His art consists in getting more than this half; as he knows how to read and write, of which the other is most commonly ignorant, he is able to confuse the metayer’s accounts, and finally to plunder him. Under this master, “who is constantly present, the condition of the metayer is still more miserable. The metayer works, sows, reaps, and feeds on the produce; after he and his family are fed, the proprietor or farmer gets the remainder. The middleman “who has some capital, regularly pays the rent (revenue) to the proprietor (government); he makes little speculations on the sale of his produce, and sometimes becomes rich. This

As the expenditure of wealth is liable in despotic countries to various restraints, and the circulation therefore languid, it is but natural that the annual productions thereof should be accumulated in the hands of the favored, or the privileged, few. We accordingly learn from history, that the barons of

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“ division is very convenient for the proprietor (government),  
 “ whom it releases from the necessity of all surveillance, and  
 “ to whom it affords some security for the payment of his rent  
 “ (revenue); but it is destructive of agriculture, because it  
 “ keeps the Metayer in a state of extreme indigence, who  
 “ would cultivate less badly, were he allowed to make any  
 “ profits or savings in abundant years; it hinders him from  
 “ ever rising to the condition of a petty farmer; it puts the  
 “ reward due to labour into the pockets of fraud.” Rev. Trim.  
 April, 1828. I may here add, that the middleman of India,  
 when advancing capital or funds to aid the Ryot, has been  
 known to exact an interest on the advance, of three per cent  
 per mensem, whence the reader may judge of the extremely  
 wretched condition of the Indian cultivator, who, in addition  
 to an excessive revenue, has also to discharge this, and other  
 exorbitant exactions. If, under the European metayer system,  
 (to use the words of the same French writer) “la France est  
 “ restée *stationnaire* dans presque tous les procédés de la cul-  
 “ ture,” or, as M. de Chateauxvieux observes of the Metayers  
 of Lombardy, “always destitute of the means of acquiring  
 “ capital, they remain *stationary*, and the result is *torpor*,  
 “ which nothing but the want of food can overcome,” the  
 stationary state, or torpor, of Indian Metayers, i. e. the mass of  
 the population, can no longer be matter of surprise, or require  
 to be accounted for from other causes.

the middle ages, both seignioral and feudal, and likewise the church, had accumulated vast riches, whilst keeping their vassals and dependants in great poverty and wretchedness. We have seen in a preceding part,\* how this also was the state of ancient India; and served to account for the accumulations of wealth found by its invaders in temples, and the strong holds and residences of the great, whilst the mass of the people languished in immutable ignorance and poverty.

But another evil chargeable upon this system, is the barrier it opposes to the improvement of agriculture. Arthur Young, and other writers, reproach it with being a cause of great misery and wretchedness to the lower classes. He describes Metayers in some parts so poor as to be obliged to borrow bread of the proprietors, in anticipation of a coming crop; and to subsist on this alone—a miserable compound of rye and barley—for some time before harvest. The produce of metaying husbandry he also represents as very deficient, and greatly inferior to what lands of the same quality, cultivated by farmers of capital, and a rotation of crops, would yield in England. The same effects have been

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\* *Vide Vol. I. p. 251 to 255.*



already described as resulting from the half-produce cultivation of India. In France, the state of agriculture is said to be improved since the Revolution ; but the metaying system still continues ; and as the French law of inheritance, similar also to that of the Hindoos, occasions a division and subdivision of estates into minute properties, and farms, it is apprehended that these causes may long operate to check agricultural improvement in France.

Although the metaying systems of both regions are thus found so strongly to resemble each other, and in both to be productive of the same evils, there is still one point in which the metaying system of India is fraught with even greater calamity than its Western counterpart. Enough has been said in preceding pages of its general effects. I shall, therefore, only subjoin one more remark, in which the result, as regards the two countries, will be found materially to differ. The European metayer enters into a voluntary arrangement with a proprietor ; both parties being well acquainted with the value of the land ; and, after dividing the produce, and providing for necessary charges and expences, incident on one, or the other, or sometimes on both parties, according to circumstances, the

remainder is their own unmolested share. When the Hindoos were, as in former times, left in quiet possession of their estates, this probably was the case in India also ; but when Mussulman taxation took the place of Hindoo rents ; and that rents, and revenue, came to be, as they are to this day, confounded ; the process of dividing produce with the Indian metayer was altogether compulsory. He had not only to satisfy the government demand for revenue, but the rapacity of those employed to collect it. He had also to provide for the expences of cultivation, and often to supply a pittance to the ousted, but real, proprietor of the estate. In Europe, therefore, however indigent the metayer may be, the proprietor is left with the means, and generally in the secure possession, of property ; but under the revenue systems of India, the proprietor is reduced to as destitute a state, as the metaying Ryot, and oftentimes to worse. Poverty, therefore, in India, is *universal* ; our revenue system, as before abundantly explained, the sole cause ; and whilst the Court of Directors continue to maintain the Mussulman doctrine of an indefeisible right to a moiety of all that is, or all that may be, produced, their own interests are blindly sacrificed ; they blight the resources of go-

vernment by the very act through which they mean to provide for future increase. The metaying system of India, therefore, carries with it all the disadvantages of a *proportional* tax on profitable employment. It is an effectual bar to all improvement. The agriculture of the country can at best be but stationary ; for who would undertake the hazard of fresh enterprise, where all the loss, in case of failure, and a fraction only of the profit, if successful (and, perhaps, not that), were to be his own ?

This discrepancy, however, attaching wholly to the revenue system we have thought proper to adopt, does not affect the original character of the institution. In the preceding review, on the contrary, it has been shewn that landed property, in both regions of the earth, was, originally, on the same footing ; that it was not a sovereign gift or grant, but acquired through individual means, and held, and acknowledged, in full proprietary right. In both regions too, when roving tribes became settled and agricultural, they naturally fell into the same mode of managing and cultivating land ; for in both countries do we find much the same system of leasing, farming, and assigning ; of cultivating both by freemen and predial slaves ;

the same right of sale and transfer; the almost universal practice of mortgages; the high estimation in which this description of property was everywhere held; and the aristocratical privileges it conferred on all the greater landlords.

I may here add, that the rules of inheritance were also much alike in both countries. It has been already remarked (*vide p. 242.*) that landed property in India, according to the provisions of Hindoo law, descends, in equal shares to all the sons of a family. It is likewise a law of Malabar, (perhaps may have been common formerly to other parts of India,) and a remarkable proof of the inviolable character of landed proprietary rights in the East, that even in cases of attainder, or convictions for high treason, or other capital offences, the estate of the criminal is not forfeited, but descends without prejudice to his heirs. In treating of the tenure of Gavelkind in England, Judge Blackstone (vol. ii. p. 84.) considered it as one of the fragments of Saxon liberty, and concurs in the opinion of the learned Selden, that Gavelkind, before the Norman conquest, was the general custom of the realm. Among the distinguishing properties of this tenure, he observes, that “the  
“ estate does not escheat in case of an at-



“ tainder or execution for felony ; their maxim  
 “ being, the father to the bough, the son to  
 “ the plough.” He also adds that “ the lands  
 “ descend, not to the eldest, youngest, or any  
 “ one son only, but to all the sons together ;  
 “ *which was indeed antiently the most usual*  
 “ *course of descent all over England.*”

Though Gavelkind lands are not subject to escheat for felony, &c., they are, as in Malabar, subject to escheat for want of heirs.

In fact Gavelkind is only one of the varieties of socage tenure, of which Du Cange observes, “ in socagio hæreditas dividitur inter  
 “ omnes filios per partes æquales.” As all lands therefore were socage, which were not held on condition of military service — “ Fundus omnis qui non possidetur per servitium  
 “ militis, per servitium socæ possideatur” — it may be concluded that the law of inheritance in ancient Europe, was the same as now exists in India, until by the introduction of feudalism it came to be altered in respect to military or chivalry tenures.

## SECTION XX.

Erroneous opinions entertained in England of the real character and capacity of Indians. The European character from the same causes as little improved throughout the middle ages.

IN some late remarks by one of our ablest journalists, on the war now pending between the Russians and Turks,\* it is observed “ in  
 “ the East Indies, the French first, and our-  
 “ selves afterwards, formed armies of natives,  
 “ and these men, led by Europeans, are al-  
 “ lowed to fight gallantly ; but though Sepoy  
 “ regiments have been often disbanded, and  
 “ numbers of trained natives have been al-  
 “ lowed to disperse themselves over the face  
 “ of the country, and to enter the service of  
 “ native princes, they have never been able  
 “ to organize of themselves, a native force.  
 “ The moment they cease to be led by Euro-  
 “ peans they are ineffective. The Turks,  
 “ however, are evidently a very different de-  
 “ scription of people. They are probably  
 “ little, if any thing, inferior in capability to  
 “ the Western Europeans ; and one or two  
 “ Sultans, like the present, may succeed in  
 “ availing themselves of European arts, and

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\* This was written about the middle of 1829.

“ in giving to their armies that discipline,  
 “ which at present enables the Russians to  
 “ defeat them.”

The opinions given in the preceding extract are very commonly entertained throughout Europe; to which is generally superadded a notion that native Indians are wanting in the quality of personal courage, which particularly distinguishes the European character; but it is of great importance to our future connection with Asia that the fallacy of these opinions should be disclosed.

In the first place it is a mistake to suppose that the native princes of India “ have never been able to organize of “ themselves a native force.” The writer of this article must surely have forgotten such histories as the battle of Paniput; the total subversion of the Mogul empire by a Hindoo power; the career of such men as Hyder Aly, and Tippoo Sultan; the defeat and surrender *en masse* of British armies to native powers; the retreat and even flight of others; the ravage of our finest provinces even to the gates of their metropolis; the successful resistance of a second-rate chieftain to five different attempts in 1805 by Lord Lake’s army to storm the fort of Burtpore; and its being thought a glorious exploit when it fell at last in 1826 (but not till stormed) to a British force of

25,000 men. All these occurrences, I say, with many others of a like stamp, must have slipped the writer's memory, or he must think them fabulous tales. No facts, however, in history are better authenticated. It is equally certain that there is not a native prince, nor petty chieftain, in India without an armed native force. Their contests have been as numerous, their ambition as aspiring, their enterprizes as daring, and their battles as bloody, as in any part of the western world, in times when its civilization was no further advanced than the present state of the East. The mistake probably arises from comparing Indians, *as they now are*, with the most enlightened people of modern Europe; and because an obvious difference between the two families is now perceptible, the moral defects of the less advanced country (and would it not be a miracle were it otherwise?) are erroneously ascribed to natural imbecility of character. But in what respect, I would ask, were the nations of Europe, in the dark or middle ages, superior in manners, in refinement, in knowledge, in the arts of peace, or the science of war, to modern Indians? If a nation, or nations had then existed, sufficiently advanced to produce such armies as those of France, and England, in the present



day, and sufficiently enlightened to send forth such commanders as Napoleon Buonaparte, and the Duke of Wellington, is it possible to conceive that the semi-barbarians around them would not, in pitched battle, be slaughtered and driven like sheep from every field, as Clive, and Lawrence, and Coote, drove before them the native armies of India? But this is a question of discipline, of science, and civilization; not of personal bravery. Instances of enthusiastic courage, of heroic devotion, are innumerable in the histories of the East; and of fortitude in suffering, and voluntary submission to pain and privations, not to be surpassed by the most exalted of European martyrs. If, therefore, strength and vigour of mind, natural talent, energy, and industry, suited to their existing political state, be proofs of any value, the seeds of that moral growth which, under better culture, raised the Western nations to the eminence of which they now boast, are assuredly not wanting in India. Adequate stimulation and instruction are its only need.

Secondly, it is a mistake, in my judgment at least, to suppose the Turks “a very different (that is a superior) description of people to Indians, and little, if any thing, inferior to western Europeans.” If this

were the case, why have they not improved as rapidly as western Europeans? This argument has often been used to taunt Indians with moral incapacity; but if it be good for any thing, how comes it that the superior Turk has been for ages just as stationary as the incapable Hindoo? When 40,000 Turks, on the banks of the Danube, can make little or no impression on a small body of 4000 Russians, the politicians of the day exclaim, "This is precisely what we should expect from the character and tactics of the two people." Or when Buonaparte invaded Egypt in 1799, what enabled him to disperse Turks, and Mamelukes, like chaff, but the very same cause — the same superiority of knowledge and science, which gave victory to Clive at Plassy, and to Wellesley at Assye. The Turks, indeed, have had greater opportunities and means of improvement, than the other nations of the East. They have had more constant intercourse with the western Europeans. They have inhabited for ages the borders of science and civilization; and with the admission of their alleged superiority, how are we to account for their stationary and backward state? The fact, however, is, that as long as despotism, propped by ignorance and superstition, can hold the

human mind in fetters, the Turks, like all other people, must continue to be the victims of its sway. But we see, and hear, and know, more of Turkey than of other eastern countries. It acts, occasionally, an important part in scenes of European diplomacy. Our newspapers, books of travels, and periodicals, bring it more frequently to our notice. We are more interested in its affairs, than in those of countries withdrawn from our observation by half the circumference of the globe. And when it was expected, though as the event has shewn without any just grounds, that the Turks, under a sultan of genius and vigour, would resist more successfully than usual the progress of the Russian arms, we fancied we discovered at once, in them, a superiority of character, little if at all below that of their European neighbours. Let us hope, therefore, that when we make the same discovery regarding Indians, *it may not be to our own severe cost.*

Nothing is more common in this country than for gentlemen, some who have, and others who have not, been in India ; to speak of the natives as wanting in courage, energy, and moral character, when compared with the more enlightened and civilized inhabitants of Europe. The error appears to me to arise, partly from prejudice, one man adopting,

without due consideration, the opinion of another ; and partly from contrasting the present natives of India with a people under circumstances so widely different, that “as far as the East is from the “West,” so far have the former been always removed from the means of European improvement. Of the social virtues of native Indians, we see daily as much as can reasonably be expected, and of their vices as much as can easily be accounted for, from the nature of the governments under which they have so long groaned. Of their courage and energy, however, it is really surprising to me that any man, who has long served with them, and studied their character, or even read their histories with attention, should be led, on this head, to entertain a moment’s doubt. True valour is most admired where it is accompanied with high-mindedness, disinterestedness, and generosity of disposition ; and no country affords more brilliant examples than are to be found in the lives and exploits of many thousands of native Indians, as several existing works abundantly testify. Conscious, as I am, of having already loaded these pages with details, which to many readers may be tiresome, I must here content myself with referring, not only to the historical facts al-



ready noticed, but to a work entitled, “ Origin  
 “ and State of the Indian Army,” to a very able  
 article on that work in the 36th Number of  
 the Quarterly Review, and to the splendid  
 work of Colonel Tod on the exploits of his  
 favorite Rajepoots. The reader will there  
 find innumerable instances of true heroism,  
 and chivalrous courage, of noble-mindedness,  
 of the most disinterested spirit, of exalted  
 generosity, of inflexible fidelity, of personal  
 attachment to their officers, of manly resig-  
 nation under privation and sufferings, of for-  
 titude, resolution, and calm contempt of  
 death; in short, of every quality that raises  
 men to distinction above their fellows, and  
 entitles them to our unqualified veneration  
 and esteem. When these qualities are au-  
 thenticated to be of common occurrence in a  
 community, it is but fair to presume, that  
 other persons abound who only wait the oc-  
 casion to be called forth. Of this an in-  
 stance is given in the history of the Governor’s  
 body-guard at Madras. When a real hero of  
 that corps, Shaik Ibrahim, was killed in ac-  
 tion, and his conduct highly, and most de-  
 servedly extolled in public orders; others of  
 the corps were stimulated to distinguish them-  
 selves by a most daring exploit, not led on by  
 European officers, but instigated by their own  
 natural valour. The leader of this gallant

band fell in the attack ; and the survivors, in reporting it to their commanding officer, observed that their fallen comrade “ only desired to convince him, there was more than “ one Shaik Ibrahim in the body-guard.” But the reader who still doubts, may consult the works I have referred to with advantage, and if he rises from the perusal unconvinced, I should despair of curing his unbelief “ even if one were sent from the dead ” to attempt it.

In the estimates formed of the supposed superiority of the European character, and the natural inferiority of the Indian, it appears to me that sufficient attention is not paid to what must be the basis of all human improvement in every quarter of the globe, *the culture of the mind* ; nor, perhaps, to the political state of Europe at different periods ; more especially to the important fact, that despotic power, *per se*, has always been more effective to debase, than free institutions to exalt, the national character even of the European families. It has been already stated that the spirit of liberty was never actually extinguished in Europe ; that it existed not only before, but after, the establishment of the feudal system among all the nations of the West ; and that, with this advantage, it was rather matter of surprise that the pro-

gress of moral improvement and civilization should have been so slow in this quarter of the globe. Europe, during the middle ages, has nothing in its history of which its people have reason to boast. From the fourth to the sixteenth centuries, darkness overspread the land ; and during this long period of mental depression, although modes of government, and political constitutions, greatly varied, — although at no time were the forms of liberty more perfect than during a portion of this long period — yet small, indeed, were the advances made in moral improvement, or in the knowledge of most effectually promoting national prosperity. On the first appearance of the northern invaders, as the conquerors of southern Europe, they appear to have enjoyed among themselves a degree of freedom, and independence, scarcely compatible with a state of social union ; but as they became settled and possessed of properties requiring to be protected, and worthy to be preserved, this extreme state of freedom was gradually intermixed with various restraints. Regular governments were necessarily established, and under the monarchical form, because all originated in military power. The authority of kings, however, was at first extremely limited. They were only the

greatest landed proprietors of their dominions. With the exception of some few unimportant privileges attaching to royalty, all power and influence, civil and military, was shared, or usurped, by the other great proprietors of the kingdom within their respective properties or estates, so that the king himself was almost a cypher out of his own demesne. Standing armies were at this time unknown. The great proprietors, like the Jenmkars of Malabar paid no revenue from the produce of their estates ; and though obliged, on certain occasions, to supply a train of armed dependants or vassals, still as this service was only for a limited period, and that kings were thus dependent on the influence they possessed over their nobles for support in public or domestic wars, it effectually checked the permanent establishment, in their hands, of an all-subduing military force. Although the kingdoms of Europe might thus be said to consist of numerous distinct petty tyrannies, instead of the government being concentrated in one ; yet the jealousy in which the great proprietors lived, both of their king, and of each other, their constant quarrels, and even precarious hold of their possessions, rendered conciliation, and concession, to the lower orders of society, frequently necessary ; and so



far operated as limitations on the exercise of despotic power.

From these and other causes, charters of immunity or franchise were granted to certain towns and villages by the lords on whom they depended. At first, however, they merely manumitted the inhabitants from the yoke of servitude, and from certain oppressive and ignominious services. The towns were not erected into corporations ; neither were they entitled to a municipal government, or to the privilege of bearing arms ; but a fixed tax, or rent, was established, which they were to pay to their lord, in place of impositions, which he could formerly lay on them at pleasure.

Notwithstanding these immunities, Europe seems to have groaned, for six successive centuries, under the yoke of a military aristocracy. Down to the end of the tenth century, no improvement is perceptible in the state of society, or of government. The power of the nobles, on all ordinary occasions, was unbounded. They had reduced the great body of the people to actual servitude ; the condition even of freemen being little preferable to that of slaves. Throughout this long period, therefore, the superiority of the European character did nothing. Europe was one wide picture of desolation, violence, and in-

security — “ On the earth, distress of nations  
“ and perplexity, men’s hearts failing them  
“ for fear, and for looking after those things  
“ which are coming on the earth.”

But in the eleventh, twelfth, and thirteenth, centuries, circumstances gave birth to communities in different parts of Europe of a perfectly democratic character. In Italy, for example, during the struggles between the emperors and popes, many of the chief cities assumed the privilege of governing themselves. Many acquired the right, and established their perfect independence, by bold and fortunate usurpation. Others purchased it of the emperors, and some received it gratuitously from the princes on whom they depended. Not content with these advantages, they seized the territory adjoining their walls ; dispossessed the barons of neighbouring castles ; and annexed their estates to their respective communities. The growing wealth, and dominion, of these corporations, together with the security they gave to their respective members, raised them at length so high in general estimation, that in the twelfth century many of the nobles were desirous of becoming members of their body. For this purpose they voluntarily abandoned their ancient castles, to reside for a part of each year

in the city of which they had become burghesses ; binding themselves to obey its magistrates, and to do their utmost to promote its honour and welfare ; for which the community took them, their family, and friends, under protection ; engaging to defend them against all enemies. In this way all the great cities of Italy became free and independent ; and such was their power and influence, that, when Frederick Barbarossa attempted to reduce them to their former state of submission, the free cities, joining in a general league, stood on their defence ; and, after a long contest, extorted from the emperor a solemn treaty of peace, concluded at Constance, A. D. 1183, by which all the privileges and immunities granted to them by former emperors were confirmed, and ratified.

In Spain communities of the same description arose, and apparently from the same causes as in the other nations of Europe ; and had attained to so much political importance, that in 1118 they were declared to be of equal rank with the equestrian or second order of nobles. In 1133, we read of their having representatives in the Cortes. In 1350, eighteen cities of Castille were so represented. In a subsequent Cortes, 48 cities, the number of their representatives being

125: and when, in 1390, on the death of John I., a regency was appointed to govern the kingdom during the minority of his son, one-half of the members were taken from the nobility; the other half were deputies chosen by the cities. The maritime laws of Barcelona were of such high repute as to be very generally adopted by commercial states and cities; and the magistrates of this latter city claimed the right of being covered in presence of their sovereign, and treated as grandees of the kingdom.

But the power of the monarch was more circumscribed in the kingdoms of Aragon, and of Castille, than in any of the other feudal nations of Europe. In Aragon, kings were long elective. The real exercise of power was lodged in the Cortes. This assembly consisted of the higher nobles, or *Ricos hombres*; the equestrian, or second order of nobles; the representatives of cities; and the ecclesiastics. Without the Cortes, no tax could be imposed; nor war declared; nor peace concluded; nor money coined; nor any alteration made in the current specie. The Cortes reviewed the proceedings of all inferior courts, inspected every department of administration, and redressed all grievances. For several centuries its sessions were annual;



after the beginning of the fourteenth century, once in two years ; and when once assembled, it could not be prorogued, or dissolved, without its own consent.

Besides these checks, the Aragonese had an officer called Justiza, or supreme judge ; whose duty it was not only to controul the crown in the exercise of its prerogatives, but like the Ephori at Sparta, and Tribunes at Rome, to shelter the people against the oppressions and encroachments of the great. The person of the Justiza was sacred, and his authority almost unbounded. It extended to every department of the state ; he himself being only accountable to a tribunal, or committee of the Cortes, who met three or four times each year, to review the acts and proceedings of the Justiza, on any appeal made to them for that purpose.

In Castille the Cortes exercised nearly the same powers as in Aragon ; and on the union of the two kingdoms under Ferdinand and Isabella the same forms were of course preserved.

There were other checks on power in Spain, which it would be tedious to mention. As far as outward forms go, we have here as free constitutions of government as the sternest patriot could desire. All the great

cities of Italy were pure democracies : and the government of Spain, at the time, probably the most restricted monarchy on earth. What field, therefore, could be more favorable for the display, or expansion of the “superior” European character ? Yet what was the progress made ? Dr. Robertson gives it in a few words, when describing “the frequency of rapine, murder, and every act of violence in all the provinces of Spain during this time, as absolutely amazing, and presenting to us the idea of a society but little removed from the disorder and turbulence of that which has been called a state of nature.”\* This, indeed, was very much the state of the rest of Europe, throughout the long and dark period of the middle ages. Some slight improvement is discernible after the tenth century ; but it glimmers only like the long and dubious twilight of a polar day. Although the authority of kings was every where circumscribed in feudal countries, it was kept down in the other states of Europe by the overgrown power of a military aristocracy, whose quarrels and jealousies spread anarchy and devastation throughout the fairest regions of the West. With the spirit of liberty uni-

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\* Rob. Char. V. vol. i. p. 429.

versally prevalent, and often vigorously enforced, it contributed so little of itself to improve the moral condition of the people, during twelve successive centuries, as to be recorded of them in the sixteenth, with all their boasted superiority, that even in their own favorite science of war, they were still decidedly inferior to the Ottomans of Turkey. When, therefore, in the course of events, and by the aid of standing armies which, after the example set by Charles VII. of France in 1445, came into general use, the power of the feudal aristocracy was effectually broken throughout Europe, absolute monarchy gradually established itself on the downfall of baronial independence, and equally triumphed over that liberty which had been till then the freeman's boast.

In no countries have these effects been more conspicuous than in Italy, and Spain, which for this reason are particularly instanced here. Once the favoured abodes of liberty, displaying itself in the vigour of luxuriant growth, but gradually decaying from ignorance and superstition, and finally expiring under the blight of despotism, where are we to look for the boasted superiority of their people? It hence appears, that neither the spirit, nor the forms of liberty are alone sufficient to ensure

advancement in national prosperity. Moral and intellectual improvement is its best and surest foundation. It has accordingly only advanced steadily in those countries of Europe, as England and France, where civilization and knowledge have at the same time made their greatest progress. We learn also from European history, how, under different political circumstances, and in different stages of civilization, the character of nations as pointedly varies. The ancient patriotism of Rome is not to be found in the tame submission of its citizens to a Nero, a Caligula, or Domitian ; in the almost unresisting opposition of Italians to frequent invasions by the French, and by German arms ; nor in their present quailing to the tyranny of Austria. Neither is the pride, the honor, or the free spirit, of Spain and Portugal to be found in the wretched crouching of its present inhabitants to a despot, or usurper, holding them in worse than negro thralldom. These are traits, with which nothing in the Indian character, or history, is base enough to be compared — a degenerate and degrading fall from the Roman virtue, and high Castilian spirit of their fathers, to which the history of nations can scarcely furnish a parallel.



## SECTION XXI.

Further remarks on the Indian character compared with the European under like circumstances, as to property and political state.

HAVING in preceding pages adduced so many striking features of resemblance between the early inhabitants of Europe, and the natives of India, in what must be considered to have been, in the times alluded to, the chief usages of life ; it may now be asked, whether it is reasonable to suppose, that the *natural* character of these two races should be so different, as that the one should be remarkable for genius and vigour, the other for confirmed incapacity ?

This question may perhaps be answered by stating another. It may be said —“ The political economists instruct us that property, and the security of property, are the basis of all improvement in human society ; and since property would appear, in both parts of the world, to have been equally secured to its owners by the same allodial rights, how comes it then to pass, that there should be such marked difference in the result ?” The best answer, I conceive, that can be given to this last question is, to admit the position of the economists in

its fullest extent. Property, and landed property more particularly, is favourable to the diffusion of wealth, through which the subsistence, and comforts of the community at large are promoted ; and in proportion to the rank and influence of great landed proprietors, the power of royalty must necessarily be circumscribed, or abridged. It is therefore, to a certain degree, favourable to liberty. Now it does appear to me, that, down to a certain period, these effects were equally, and contemporaneously, in force in both countries. In regard to the Hindoos of former times, we have little more to depend on than the opinions of learned authors, who have penetrated deeply into the literature, and history, of this ancient people. Among others, the name of Sir William Jones must ever be mentioned with the greatest respect. He was of opinion, that the ancient Hindoos were civilized, polished, and enlightened, to an extraordinary degree ; and though Sir William's description may be partly the exaggerated language of partiality, still if we admit, what I have before intimated to be probable, that the Hindoos of rank and property, previously to the Mahomedan conquest, were as far advanced in improvement, as the higher classes — Brahmins and others — of the present day, we should still have a

race in India of more polished manners, and enlightened minds, than anything I can conceive from history of the rude and haughty barons of the tenth, and eleventh, centuries. Writers on the ancient Germans, and the primitive institutions of Europe, are apt to give a glow of romantic colouring to their descriptions; arising perhaps from natural admiration of the daring deeds of a warlike people, and from the favourite notion, inculcated by no less an authority than Montesquieu, that in the forests of Germany—*gentis cunabula nostræ*—was to be traced the origin of that beautiful system, the British constitution. Making therefore due allowance for national partialities, and looking merely to the facts of history, we may, I think, safely conclude, that, up to this period, India was at least as far advanced, if it had not the advantage of Europe, in polished manners, and most of the arts of civilized life.\*

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\* For my own part, I can only conceive of the ancient Germans, that they were much on a par with the Catties and other predatory tribes still existing in the interior of India—beings who, originally, in the pastoral state, were, it is probable, as the surrounding population increased, hemmed in to particular limits, which they then appropriated, and have ever since possessed; but living apart in jungles, shut out from the advantages of civilized life, they still continue unchanged

Some persons may still think that, though the points of resemblance between the former

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the manners and customs of their earliest ancestors. The Catties are stated to be—the males a bold athletic race—the females (Cattrieyanies) proverbially graceful and beautiful. The men are obedient to their chiefs in war, and on plundering expeditions; but otherwise, as free individually as the absence, or nearly so, of all civil restraints can make them. The following note by Mr. Murphy, on a passage in Tacitus, exhibits at once that secret sense of admiration which we are apt to entertain for German courage, and warlike exploits, coupled with facts indicative of their real habits: “It appears “from Cæsar’s account, that they had another way of exercising their courage, when their nation was in a state of “profound peace. They deemed it highly honourable to lay “waste the country all round their frontier, conceiving that “to exterminate their neighbours, and suffer none to settle “near them, was a proof of valour. They had still another “kind of employment; *robbery had nothing infamous in it, “when committed out of the territories of the state to which “they belonged*; they considered it as a practice of great “use, tending to exercise their youth, and prevent sloth and “idleness.” —(vol. iv. p. 232.) Again he observes (p. 235.), “*Plunder and rapine were the only revenue of the chief.*” These are precisely the habits of modern Catties, Bheels, and others, who think it no shame openly to profess themselves public robbers in their negotiations and correspondence with the British government. And when we read in later times of the inhabitants of a country being absolutely exterminated by the successors of these German heroes, and of such men as the “illustrious” Charlemagne (who was unable to write his own name) murdering by one decree 4,500 Sax-



inhabitants of India and Europe are striking, there are yet no traces among the Hindoos of that spirit of liberty for which the ancient Germans are represented to be remarkable. To these persons I would beg leave to observe that the liberty and equality of our German ancestors, are the liberty and equality of the primitive state of man ; and which Dr. Robertson finds to be exactly paralleled in the existing condition of American savages. But of the Hindoos, as a pastoral people, like the Germans, we have no account (some few tribes only excepted). We only know them after property had grown up to create distinctions, which necessarily subvert the natural liberty, and equality, of the primitive state. But property is, in all human societies, the root of power. Wherever there is power, it will be exercised. Wherever it has the good things of this life to bestow, it will find abundance of subservient courtiers. Where these two causes are accompanied with ignorance, and superstition, in the multitude, despotic power is invariably the result.

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ons for no other crime than loyalty to their legitimate sovereign, it can give to a reflecting mind no very exalted notion of the civilization or moral improvement of Europe up to this period.

In respect, therefore, to liberty, the advantage has, probably, always been on the side of Europe, for reasons which will be immediately given. It is true that in Malabar and Travancore, we have existing proofs of princes with as limited authority as the kings of a Saxon heptarchy ; and landed proprietors as powerful, and independent, as the allodial barons of Edward the Confessor ; and this may have been, and probably was, the case formerly in other parts of India. How absolute monarchies were raised on the suppression or controul of the power of these great proprietors is not so minutely described in Indian, as in European history ; but if an aristocracy, like that of Malabar, and the south of India, existed once universally, of which there can be now no rational doubt, some such process must have occurred to establish the Hindoo kingdoms we read of previous to the Mahomedan conquest ; and probably by the same means as in Europe—standing armies in the hands of the prince. Meanwhile, both the religion and literature of the Hindoos were peculiarly favorable to despotic power. No other system of government ever entered into the contemplation of their learned men ; and the profound ignorance, in which the great mass of the people were kept by the policy of

the Brahmins, tended perhaps more than any other cause to confirm, with the spiritual, the despotism also of the political, power.

As far, therefore, as property *alone* can be supposed to influence the advancement of human society, it appears to me to have produced corresponding effects in both parts of the world ; till a political revolution in India, briefly described in *Part II.*, threw back this devoted country, and its inhabitants, through a series of unheard-of calamities, into the lowest depths of misery, of poverty, and of primeval darkness. In the year 1000, this flood of desolation began its destructive course, and overspreading the land, like an universal deluge, involved for eight centuries in its fell abyss, millions of human victims ; annihilated in the conquered provinces every trace of private property ; and destroyed at once, the power and the hope of improvement ; demoralized the human mind by habituating it to the practice of the vilest artifices for self-preservation and defence ; and ultimately succeeded in reducing it to the degradation of yielding even a satisfied submission to the severities of its fate.\*

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\* One of the most distinguished professors of the present day, describes similar effects in Turkey, as proceeding from

the same causes — “ When the Turkish conquerors (he says) overran those fertile and beautiful countries in which, to the disgrace of the other European powers, they are still permitted to encamp, they parcelled them among their followers on condition of their performing certain military services on a plan corresponding, in many important particulars, to the feudal system of our ancestors ; but none of these possessions, except those assigned to the church, is hereditary. They all revert, on the death of the present possessors, to the sultan, the sole proprietor of all the moveable property in the empire. The occupiers of land in Turkey having, in consequence of this vicious system, no security that their possessions will be allowed to descend, on their death, to their children, or legatees, are comparatively careless of futurity ; and as no one can feel any interest in the fate of an unknown successor, no one ever executes any improvement of which he does not expect to be able to reap all the advantage during his own life. This is the cause why the Turks are so extremely careless about their houses. They never construct them of solid or durable materials ; and it would be a gratification to them to be assured that they would fall to pieces the moment they had breathed their last. Under this miserable government, the palaces have been changed into cottages, and the cities into villages. *The long continued want of security has extinguished the very spirit of industry, and destroyed not only the power, but even the desire to emerge from barbarism.*” — M'Culloch's Pol. Econ. p. 78.



## SECTION XXII.

Causes of improvement in Europe. Discovery of the art of printing. Its vast advantages and effects. Symptoms of a corresponding advancement observable in the East. Concluding remarks.

WE may now enquire what was, at this juncture, the state of Europe. It was conquered, like India, by Northern hordes; but fortunately saved from Mahomedan doctrines, and Mahomedan law; and blessed, through the favor of Heaven, with purer light. There was no universal absorption here of the right of landed property; which continued on the contrary, without interruption, to be acknowledged, and exercised by individuals, under the different tenures above described. Though the princes of Europe sought, by establishing and favoring feudal tenures, to strengthen their own power, they were disappointed in the results. The feudal barons, secure in the possession of their estates, soon came to be as refractory, and unmanageable, as the seignorial barons of a former age; so that landed property in Europe lost nothing of its original character, except the mere change introduced by the feudal law; and nothing of its natural influence.

Although perfect security of person, and

property, is the true basis, or ground-work, of human improvement, it is not every thing. According to Lord Bacon, “ knowledge is “ power.” It is the mind of man which raises him to superiority over the rest of the creation. It is by mind alone that he rules all living creatures, and moulds all matter to his will. It is from the mind that all improvement, as all mischief, springs. When person and property are sufficiently secured to enable man to prosecute, without fear, the occupations of life, and the peculiar biasses of his nature, it is to the improvement of mind that he must look for all the higher advances in prosperity. Property, and accumulated wealth, will carry him to a certain pitch of luxury, and civilization ; but the cultivation of his mental powers, is indispensable to his further advancement in virtue, in happiness, in all the higher enjoyments of life, as well as in the means both of acquiring, and defending, them. Here lies the secret of superiority of character, and even of superior power. In this respect the difference between India, and Europe, is marked and important. The system of India has been, as we have already seen, uniformly favorable to the prevalence of despotic power ; and the perpetuity of ignorance among all but the privileged few. The religion, and litera-

ture of India, being at all times ill calculated to enlarge the minds, even of the instructed classes, improvement could hardly be expected in the commonalty—the despised and neglected of the species. They had neither history, nor philosophy, qualified to arouse the powers of thought; neither practical examples, nor theoretical models to contemplate, or to incite them to overleap the barriers, which were thus opposed to the diffusion of light. But this does not imply incapacity of nature, so much as the vice of system, and defect of means; and when it is moreover imputed to this much injured people, as proof of their imbecility, that they have yielded to foreign conquerors, does this argue greater inferiority than may justly be ascribed to modern Italians, Spaniards, and Portuguese? Have any people on earth more shamefully, and more repeatedly, submitted to foreign conquest, and the power of the sword? and yet no one acquainted with that fine race of people, in particular, the modern Italians, would ascribe to them *natural* imbecility, or think them, *as individuals*, unworthy descendants of their Roman ancestors. The weakness and disunion of their governments, superstition, bigotry, and ignorance, are much more rational causes to account for their fre-

quent submission to a foreign yoke, and for their present degraded state.

But in treating of Europe, we must not confine our views to peculiar circumstances affecting certain families ; but rather extend it to causes of more general or universal operation. Of all the nations of the earth, which have been more distinguished than the ancient Greeks and Romans ? and to what is their superiority to be ascribed, so much as to their superior knowledge and literature—in other words to the improvement and refinement of their minds ?\* When the Roman empire fell a prey to the overwhelming hordes of barbarians, which poured in from the North, darkness for a while overspread the land ; and civilization took a retrograde course. But all

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\* Quintilian, in comparing the Roman character with that of the Cimbrians, and other barbarous nations, says, “ We do not abound in numbers more than other nations, nor are our bodies more robust than the Cimbrians. We are not richer than many powerful monarchies ; our contempt of death does not exceed that of the barbarians who have no allurement to make them fond of life. What gives us the advantage over other nations, is the military system established by the institutions of our ancestors ; our attention to discipline ; our love of labour ; and our constant preparation for war assiduously kept alive by unremitting exercise. *We conquered more by our manners than by force of arms.*”—Quint. pro Mil. Declam. iii. s. 14.



was not lost. Landed property, though violated, was not destroyed ; but continued to exercise its natural influence ; and, in this universal wreck, the elements even of moral improvement were not altogether extinguished. Although knowledge and literature seem to have fled the earth, a “ a still small voice ” was yet preserved, among the remnants that were saved, intended to humanize and enlighten future generations. In the midst of barbarous ignorance and havoc, equal to any thing that at a subsequent period afflicted the regions of the East, Europe had still to boast “ a pure and humble religion, which “ gently insinuated itself into the minds of “ men, grew up in obscurity, and gained “ strength from opposition, till at length it “ established the triumphant banners of the “ Cross on the ruins of the Capitol.” The literature, too, of Europe was, as before explained, (*vide Part II.*), of a totally different stamp from that of India ; and in every respect better calculated for moral improvement. With all these advantages, however, it must be admitted, that, down to the period of the eleventh century, the progress of learning, and consequently of moral improvement, was very slow in Europe ; probably as stationary, as it has continued ever since, from the same causes to

be, among the people of the East. Books existed, but they were all manuscript; and copies, even when they could be procured, were extremely dear, so that the diffusion of knowledge was of course proportionably checked. During the dark ages, heathen works, and libraries, were deemed objects of vengeance, and destroyed by the early Christians. The devastations of the Goths and Huns, the capture of Rome, and plunder of Milan, occasioned the destruction or mutilation of vast numbers of manuscripts. On the other hand, the fanaticism of the Moslems proved equally destructive to literature. After their conquest of Egypt in the seventh century, the famed Alexandrian library was ordered to be burnt; and such (says the historian) was the incredible multitude of its volumes, that six months was barely sufficient for the consumption of the precious fuel. By this event all communication with Europe was cut off; and the Egyptian papyrus being no longer procurable, writing was little practised, until the art of making paper was discovered in the eleventh century, when manuscripts again began to encrease.

After the establishment of monasteries, the transcription of books became a common employment of the monks. Copies

were thus preserved, and some of the monasteries were noted for the cultivation of literature. But by a singular piece of economy, the monks themselves contributed to a fresh destruction of manuscripts, after the conquest of Egypt by the Saracens. The difficulty of procuring papyrus paper (only produced in Egypt) raised the price of parchment; and the monks having discovered a chemical process for taking out writing, either used it, or erased by hand old manuscripts, to clear skins of parchment for legends, or psalm books, which they then sold to the common people. In this way numbers of ancient manuscripts were again destroyed; insomuch that books were exceedingly scarce, and dear, through a great part of the middle ages.

From the sixth to the ninth centuries, schools and academies were lost in Europe. They were restored for a time, and universities established, chiefly by the care of Charlemagne, who died, A. D. 814, after a reign of 47 years; but after his death darkness again prevailed in Europe.

The *general* introduction and establishment of schools in Europe is, therefore, to be ascribed to the beginning of the 11th century, at which time several were opened, in Italy and France, by qualified persons among both the laity

and clergy. It also appears that paper, from linen rags, was now invented ; that a general tendency to engage in commerce was manifested ; and industry promoted by the security and enjoyment of private property.

The cultivation of literature, and of the mental faculties, followed as another consequence of the security, and enjoyment, of property. To this end the monasteries, and schools, above-mentioned mainly contributed ; and though books were still manuscript, yet an eager desire to possess, and to study, them was now prevalent ; so that the revival of learning, and consequently of improvement, in Europe is traced, and from the causes above assigned, to the same period in which despotic power, and fanaticism, struck their deepest roots among the generations of India. The dawn of that light, which was destined to illuminate the Western hemisphere, was thus coeval with the first gatherings of the storm, which permanently involved in midnight darkness the devoted regions of the East.

Finally, the fifteenth century is remarkable in Europe for the discovery of the art of printing ; a discovery, which has done more, than perhaps any other, to heighten, and improve, the character of the nations of the



West. Its effects cannot be better described than in the eloquent language of a late publication. “ The advantages which have been  
 “ derived from the invention of printing, are  
 “ vast and important. The productions of  
 “ men of genius and learning, the records of  
 “ literature and of science, of whatever is  
 “ either brilliant in imagination, or profound  
 “ in thought ; whatever may either adorn, or  
 “ improve, the human mind, thenceforth be-  
 “ came imperishable. The light of knowlege  
 “ cannot again be quenched ; it is free and  
 “ open, and accessible as the air we breathe.  
 “ The future history of the world, may, in-  
 “ deed, disclose enough both of misery and  
 “ of vice ; but it cannot again present an uni-  
 “ versal blank, or be disgraced by another  
 “ age of utter and cheerless ignorance.”\*

From these advantages India has been wholly shut out, until the latter end of the last century ; when printing began to be practised at the different presidencies ; and Indian, as well as European, works, to be more generally circulated and read. Since this period, the progress of the natives, whose wealth and leisure have enabled them to prosecute mental acquirements, has been such as to

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\* Life of W. Caxton, p. 32.

excite, not merely admiration, but astonishment. Schools, and literary associations, have been established at the different presidencies, and in other parts, in which natives of all casts have greedily sought instruction ; but what is most surprising is, that there are several natives now in India, whose acquaintance with the English language is so perfect, as to enable them to write it with all the idiomatic elegance, and grammatical purity, of accomplished scholars. The writings of that extraordinary man, Ram Mohun Roy, are too well known to require encomium from me. His celebrated petition to the king in behalf of a free press for India ; his “ Precepts of Jesus ;” his “ Appeals to the Christian Public ;” his “ Defence of Hindoo Theism ;” “ Translations of the Upanishads,” and various other tracts, are works that will immortalize the name of Ram Mohun ; and leave future generations to wonder, that English writings of so much beauty and excellence should be the production, not of a natural-born Briton, but of an enlightened, self-taught, Indian Brahmin.

Many other natives there are now in India, whose literary attainments are really surprising ; more especially when we consider that this extraordinary knowledge has been

acquired, not in public schools, or academies ; with the aid of instructors to conquer difficulties, and where rivals, or exemplars, are a powerful stimulus to exertion ; but in the retirement of secret study, where the pure thirst of knowledge, the noble ambition of moral improvement, has been their only motive, and their only guide.

That the reader may judge for himself in a matter of so much importance to this country, and to India, I annex, in the Appendix, specimens of the writings of sundry natives. These documents will shew that I have not over-rated their talents, or their powers. The letters, here produced, are a few which have casually fallen into my hands. Multitudes of others, of the same description, might be produced. It will be seen that these could never have been written for publication ; most of them being in the free chit-chat strain of epistolary intercourse. Let the reader, therefore, carefully peruse these simple proofs ; and then ask himself what evidence they contain of natural incapacity. It may be doubted whether these productions could, in purity of composition, be equalled, they certainly could not be surpassed, by the most enlightened foreigners of Europe.

With all these facts before us — with the sincerest conviction of my own mind of their importance, as well as truth—I now again appeal to the constituted authorities in England ; and solemnly say, Beware ! Recollect, Gentlemen, that “ knowledge is power.” You have now laid the foundation of it among an acute and intellectual people. Its diffusion is inevitable. The schoolmaster is abroad with his primer, pursuing a course which no power of man can hereafter arrest. A light is now rising in the East, destined to attain meridian strength and splendour, and to “ shine more “and more unto the perfect day.”\* Through the medium of schools, literary meetings, and printed books, all the learning, and the science, of Europe will be greedily imbibed, and securely domiciled, by the Hindoos of India. Knowledge, Gentlemen, is power. The immortal tree is at length planted in India ; and if its growth be skilfully directed, may yield to Britain the fruits of everlasting honor, and of permanent prosperity. But beware of error ; and, above all, beware of injustice ; for deviation into these crooked paths will now be fatal, and may shake the props of your own imperial existence to their very base. You

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\* Prov. chap. iv. ver. 18.



have now reigned over India for upwards of half a century ; but, however good your intentions, you have persevered in a system not to be reconciled with reason, with justice, or humanity ; and for which you have no better apology, than that it was the system of your barbarous predecessors. Your institutions *must* be reformed. The natives of India will soon learn, if they know not already, all the errors and inapplicability of your system. They have long felt its overwhelming pressure. They will soon know that rights, and duties, are reciprocal ; that if you assume the right to govern, duty requires that you should do it, first for their benefit, next only for your own. If, on the contrary, the course of your future government be to dethrone, and pension, independent monarchs ; to controul others by dictating residents, and the presence of subsidised armies ; to make treaties, and to break them at the suggestions of self-interest ; to compel all the powers of India to acknowledge your superiority, and yield obedience to your will ; if your domestic institutions be ever changing, and the object of every change perpetual encrease of the annual tribute ; you will find for the future, or I grossly miscalculate, that an acute, discriminating and enlightened, community will no longer be disposed to place blind con-

fidence in your professions ; but to judge you by your deeds. You have a heavy debt of justice to repay. It will be demanded at your hands ; and the opportunity is about to be afforded you of discharging it liberally — with equal satisfaction to the claimants, and immortal credit to yourselves. But if you neglect the opportunity, and determine to follow up your past erroneous courses and oppressions, I say, again, beware ! The knowledge now diffused and diffusing, throughout India, will shortly constitute a power, which three hundred thousand British bayonets will be unable to controul. That government, which has been so often called a government of opinion, must for the future have some better support than the idea of its military superiority. The natives of India are now in a state to desire your protection ; and they will gratefully return the boon, if it be granted with real liberality and justice. The ground-work of the future fabric should be co-operation with the natives in the government of themselves ; and for which, under due controul, they will be found far better qualified than those to whom it has hitherto been entrusted. But if you persevere in merciless exactions, and in enforcing the doctrine of passive obedience — if your domestic policy be a system of expedients, and the ob-

ject of your foreign policy, military supremacy, the day may not be far distant when you shall feel, in disappointment and disgrace, how feeble is physical, compared with moral, power ; and in the downfall of the magnificent empire of India,

———tot quondam populis terrisque superbum  
Regnatorem Asiæ. —

may add one more page to the proofs given by history, that fleshly arms, and the instruments of war, are but a fragile tenure, and “ soon to nothing brought,” when opposed to the interests, and the will of an enlightened people.

## APPENDIX.





## APPENDIX.

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FOR the three first letters in the following selection, I am indebted to the kindness of Sir Alexander Johnston, Vice-President of the Royal Asiatic Society, whose services and experience in the East eminently qualify him to judge of the real character of native Indians. It is to the accurate discernment and sound judgment of Sir Alexander Johnson, when filling the high offices of Chief Justice of Ceylon, and first Member of His Majesty's Council, that we owe the first institution of native juries in India. He established the system in Ceylon in the year 1811, when the right of sitting on juries, which had before been confined, as in other parts of India, to Europeans, was extended, under certain modifications, to every native on the island. These modifications were so judiciously adapted to the habits and prejudices of the natives, that in a report to the Government of Ceylon in June, 1817, by the advocate fiscal, it is represented, after an experience of seven years, to have been attended with the most beneficial effects; and, by gratifying the native inhabitants, to have warmly attached them to the British Government. When Sir Hardinge Giffard succeeded to the Chief Judgeship in 1820, he soon became fully sensible as well of the merits, as of the benefits of this institution. In an address from the bench, on opening the criminal sessions, he adverts, in pointed terms, to the advantages of thus wisely raising the native inhabitants in their own, and in general estimation, by causing them to participate in the administration of justice among their own countrymen. He mainly ascribes to this cause the tranquillity of the provinces subject to the

Ceylon government, and the entire absence from the criminal calendars, for the two preceding years, of every offence bearing the slightest tinge of a political character ; and he closes an eloquent eulogium on the system, with the following just tribute to the merits of its founder : —

“ Of one of them (Chief Justice Sir A. Johnston), holding  
 “ as he still does that station in society so well merited  
 ‘ by his talents and services, it would be difficult in me  
 “ without indelicacy to offer more than that tribute which  
 “ it would be injustice to withhold. To his perfect know-  
 “ ledge of the native habits and character, and his ex-  
 “ tensive acquaintance with their institutes, it was owing  
 “ that the jury system was thus so skilfully adapted  
 “ even to their prejudices, and so deeply rooted in their  
 “ affections, as to have had the consequences in which  
 “ we now rejoice.”\* In this document we have prac-

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\* As. Jour. vol.xx. p. 288. For a full account of the jury system on the Island of Ceylon, the reasons for proposing it, the mode in which it was carried into effect, and the consequences of its adoption, see also As. Jour. vol. xxiii. p. 807.

By the 7 Geo. IV. cap. 37, native jury trial was introduced, under certain limitations and restrictions, into the King's courts at the different presidencies in India. In the 23rd, 24th, 25th, and 27th volumes of the Asiatic Journal, some interesting documents will be found on this subject. Among others, some letters from natives, written in a nervous style, and as purely grammatical as those which follow in this Appendix. It is, indeed, curious to compare the expressed wish of enlightened natives for the full establishment of native jury trial in India, with the opinions of sundry official persons, who appear to have been consulted as to the advisableness, or otherwise, of introducing the system into India ; and who, with one only exception, are opposed to it. Their reason seems to be, that jury trial is only fitted for a country.

tical proof of what the natives of India are capable, when their moral powers and influence are judiciously directed and applied. The following letters will, I presume, be admitted as a further confirmation of the same fact. To Nos. I. II. III. and IV. I have subjoined a few private notes (V. VI. VII. VIII.) which have fallen into my hands, and which serve to shew with what accuracy and politeness the natives express themselves in ordinary familiar intercourse.

Instances of similar acquirement are now common in various parts of India. Knowledge is spreading far and wide. Let legislators, therefore, look to their acts, and no longer suffer themselves to be deluded with the idea, that in native Indians they have to deal with a nation of incapables.

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like England, far advanced in civilization, and the knowledge of civil government; and therefore ill suited to a population so backward and frail as the natives of India. The inference to be drawn from this argument is, that the authorities consulted must have considered jury trial as a comparatively modern institution in England, and forgotten that,—if not as old as old Woden himself,—it is at least as old as the days of our good king Alfred, or even of the first establishment of civil government by the Saxons in England; and no one, I presume, will pretend to compare the semi-barbarians of those days with the more enlightened and respectable Hindoos, and Mussulmans, of modern India.

Where the natives of India object to the institution, it is on the ground of invidious distinctions and preferences given by the act to Indo-britons, and native Christians, over every class of their Hindoo and Mussulman fellow-subjects. In this respect, the provisions of the 7 Geo. IV. are by no means so judicious as the arrangements adopted by Sir Alexander Johnston in Ceylon.



## No. I.

*Copy of a Letter from Radhakant Deb, to Sir Alexander Johnston, Chairman, &c. dated Calcutta, 20th May, 1827.*

To Sir Alexander Johnston, Knight, Chairman; the Deputy Chairman, and the Committee of Correspondence of the Royal Asiatic Society of Great Britain.

GENTLEMEN,

With sentiments of respect, I have the honour to acknowledge the receipt of a very kind letter from you, together with a copy of the prospectus of the Society.

Your proposal to insert my name among your correspondents, is most gratifying to me, and I beg to present my best and respectful thanks for the honour the Society intends conferring, which cannot but be highly acceptable to me.

Born, and residing in a country, as this, where mechanical knowledge is very little cultivated, it cannot be expected that the natives should possess any elevated degree of knowledge in arts and manufactures, with the exception of what they are daily practising, the scanty remains of that which their forefathers have left, and the knowledge of which has descended through Mahomedan, despotism and cruelty. As your invitation is flattering, I will not however, fail to take every opportunity of keeping awake our correspondence, connected with the sciences and polite literature of the Hindus.

The formation of societies for the promotion of the knowledge of science and literature in general, as well as of arts and manufactures, is beneficial to the country where such bodies are united; but when they link with similar societies, or individuals of talent, in other countries by correspondence, the benefit arising therefrom

is universal, especially when those learned men communicate their ideas to one another without regard to nation or religion.

In this good work the Europeans have far surpassed other nations ; and allow me to express my admiration of the plan the society has adopted for the diffusion of knowledge, by opening a correspondence with the natives of Hindostan, who cannot but feel immeasurable pleasure and gratitude, at the conviction that their rulers, in common with your society, are ever watchful to promote the welfare of the ruled, by the dissemination of knowledge, of literature, and arts among them.

As the Report of the Calcutta Agricultural Society, of which I have the honour to be Vice President, will soon be published ; I need not give you an account of the same here.

Some time ago I published a Bengaly Spelling Book, in imitation of a similar useful work in English, by Mr. Lindley Murray, a copy of which, as well as a copy of the first volume of a copious Dictionary, entirely in Sanscrit, compiled by me, on the plan of an Encyclopædia, I beg leave to send, and request the society will have the goodness to give them a place in their library ; allowing me, at the same time, permission to transmit the subsequent volumes, with the preface and appendix, when issued from the press.

Having lately had occasion to refer to the Agni Purana, I found a passage therein, which convinced me that the division of the day and night into twenty-four hours, from midnight to midnight, by Europeans, is of Sanscrit origin ; and as it may be a point deemed desirable to be known by many English gentlemen, I beg leave to transcribe the original, accompanied with a translation of it.

“ Ghatike dwe Muhu’rtah sy’at tai Strinsatyá divá nise, Cha-  
“ turvinsati Belá bhi rahorátram prachacsyate.”

“ Suryodayádi vijneo Muhurtanam cramah Sadá, Paschimá  
“ dard’ha rátrádi Horánám vidyate cramah.”

“ Two Ghaticas make one Muhurta, of which thirty, a day and  
“ night. Twenty-four Belas are said to constitute a day and

“ night. It is to be remarked, that the course of the Muhurtas “ is invariably from sun rise, and that of the Horás from mid- “ night.”

The interpretation of the above two Quatrains is this ; that thirty Muhúrtas are equal to a day and night ; which two are comprised in twenty-four Belás or Horás ; and that the computation of day and night by thirty Muhúrtas is from sun rise to sun rise ; and that by twenty-four Belás or Horás from midnight to midnight. Hence it appears, that the word hour is probably derived from the Sancrit term Horá ; especially when the exact correspondence of the latter with the Greek and the Latin Hora is considered.

Wishing you success in your benevolent exertions towards effecting the objects of your interesting society.

I remain, with due respect and regard,

Gentlemen,

Your most obedient Servant,

RADHAKANT DEB.

Calcutta,

May 20th, 1827.

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*Plan of the Sanscrit Lexicon, entitled the “ Sabda Calpa Druma.”*

Nouns or words are collected from all the Coshas, or dictionaries procurable in Bengal, as well as from the literary, scientific, and religious manuscripts in common use here. They are arranged together with Dhátus, or roots, in alphabetical order. The genders of words, and the indicators of roots, and their various significations, and figurative meanings are supplied. Their explanations in the Bangalee tongue, and synonymous terms, are inserted after the explication of one of the known words. Articles of the

Materia Medica, &c. with their properties, and the causes and symptoms, &c. of diseases are deduced from original treatises. Received law decisions on several points of Hindu religion, and moral laws are added. The scientific terms are explained after the mode of an English Encyclopædia : for instance, under the word Alankára, (rhetoric) ; and Ch'handá, (metre) ; their indications and illustrations are given. Under the word Dáya Bhága, the decisions concerning division of inheritance are specified, and so forth. The authorities of every word are subjoined, or if not procurable, examples or etymologies are annexed. A preface, and a short grammar of the Sanscrit language are to be prefixed.

The Author intended to distribute this work, after the whole was printed and bound ; but the printed sheets which have been laid up in store, for many years, being subjected to various accidents and injury, he is induced to reprint a few forms of the same, and to publish it by numbers. The reason of so much delay is owing to this, that the author, at his leisure, compiles words, puts them in order ; corrects proof sheets, (which are daily numerous) writes manuscript copy, either himself, or gets it done by some learned man under his immediate dictation and inspection, and consults and discusses with the respectable pundits of this, as well as other parts of the country, who frequent his house on various occasions, as to any terms or authorities, respecting which there are doubts and different opinions. Under these circumstances, the completion of the work will be unavoidably delayed. An account of this Dictionary may be found in the second Report of the Calcutta School Book Society, p. 50. Friend of India, of 1820, No. 1. p. 128, and the Preface to Dr. Wilson's Sanscrit and English Dictionary, p. 38.



## No. II.

*Copy of a Letter from Ram Raz, to Richard Clarke, Esq.*

Madras, 13th October, 1827.

SIR,

Overpowered with feelings of the most sincere gratitude, I know not how to express my thanks, for your most obliging and highly valuable letter. Nothing, I assure you, could be more honourable to me than such a mark of your kind regard, and nothing more flattering than the favourable sentiments which you express towards me, of which, I trust, I shall ever retain the most lively remembrance. Your charming description of the country you reside in could not fail to awaken a train of ideas in a mind which had early been accustomed to admire the laws, manners, customs, arts, and sciences of the western world; especially of that happy island which sways India at the present day with the highest renown. How happy should I think myself, as you justly observe, could I come amongst you for a while, and visit a country where every object affords such abundant matter for contemplation. What rational pleasure could I not derive from a free and unreserved intercourse with an excellent, hospitable, intelligent, and kind hearted people in their native land, and in their native simplicity of character; and how delightful is the idea of seeing the several places celebrated for so many glorious actions recorded in history, abounding in natural curiosities, and adorned by exquisite artificial decorations! But, alas! so long as unavoidable circumstances stand in the way, I can only lament the absence of an enjoyment which, perhaps, will never fall to my lot. While such are the distant prospects, I must only console myself with that pleasure which I may still expect to enjoy in my own native land, by following your excellent advice, which at once inspires me with vigour, and excites me to the improvement of my mind; and I hope the moral principles which accompany

it, may lead me to a right application of whatever useful knowledge I may acquire.

Since my last letter to you, I have collected ample materials for an essay on our architecture. I am now engaged in examining them, and hope to be able to send you the result of my examination by the next season. Mrs. Gwatkin has kindly promised to take any thing that I may wish to forward to you. Works on Silpi sastra are very scarce in this part of the country ; and even the few scattered fragments that can be had are scarcely intelligible to our best educated pundits, as they are so full of memorial verses, and technical terms, that none but those who have been regularly initiated in the study of the art can comprehend them fully. As to our Silpis themselves, you know they are generally men of very limited acquirements, and totally unacquainted with the science, so that the task of explaining this obscure subject has become exceedingly difficult. I often attempted to unravel it, with the assistance of many artists and pundits, who had been supposed to know any thing of the matter, and as often despaired of meeting with any success, at length I have fortunately found a good sculptor of the Cuminati tribe, a native of Tanjore, who is well acquainted with the practical part of the Hindu architecture, and with most of the terms used in the art. With his valuable aid, I have already been enabled to solve many intricate problems, and to remove many difficulties, against which I had long been struggling. It is a melancholy truth, that those venerable sages to whom our works on arts and sciences are attributed, in endeavouring to communicate instruction to the world, have been guided rather by a mistaken ambition of rendering themselves reputable by the difficulty and abstruseness of their style than by an anxiety to make themselves intelligible ; and to this, indeed, is that almost general ignorance among the Hindus in the arts and sciences chiefly ascribable. I have now, in my possession, four standard treatises on architecture, and expect to have some more from different provinces ; and I confidently hope, that the result of

my investigation will enable me to present to the Royal Asiatic Society, through you, a correct account of a science which may be now considered as almost lost for want of encouragement to study it.

I understand Dr. Babington has written to Mr. Aitken, the secretary of the Literary Society here, for works on the same subject. I have offered him the use of those I have collected, and communicated to him at the same time the commission which I have had the honor to receive from you. That Gentleman had the kindness to lend me two books which he had himself procured through the means of Mr. Oliver, for the purpose of being forwarded to you in England; they are at present of very great use to me in collating the copies in my possession, and in correcting the numerous errors with which the manuscripts are replete. I am also much indebted to Mr. Aitken, for the kind assistance which he has promised of procuring me some English works on Architecture, for my own information. I am very anxious to forward to you my essay on this subject as soon as possible; but as to its reception in England, I am very apprehensive; however certain I may be of pleasing you by my alacrity in obeying your orders, though not by the merit of my work. Your approbation alone will be an ample reward, and will have a great influence on my future labours. The question of caste too, is one that particularly requires elucidation. All that has hitherto been written on the subject by Europeans are not only imperfect but incorrect. The reputed works of Ward and Dubois, abound with numerous instances of gross misrepresentations, notwithstanding all their boasted opportunities of knowing accurately the manners, customs, &c. of the Hindus; and the elegant historian of British India merely copies the unfavourable reports of those prejudiced writers. I do not mean to deny that there are many exceptionable and vicious customs among that great body of people who inhabit this vast region, and are divided into numerous branches, all of them widely differing in languages, modes of thinking, pur-

suits and even in religious opinions ; but to what extent they exist must be correctly defined. It would be uncharitable to draw general inferences from a few solitary instances, or to carry our prejudices against a particular class of people into the general body of them ; yet that such is the case with many of them cannot be denied. As to the different classification of the Hindus, nothing is more true than your observation, that the different designations of nations, classes, sects, tribes, occupations, &c. are all improperly termed by the word *caste*. In a census lately sent up by the collector of Malabar, there appears to be no less than three hundred different denominations of inhabitants in that part of the country ; almost all of which are unintelligible to a European. I wish indeed that some of my countrymen possessing the requisite qualification could contribute something towards a correct solution of the question which has long been disputed, between the advocates for the antiquity of the Hindu system of astronomy, and those who ascribe to it a modern date. There are various abstract subjects connected with Hindu literature, which are still very little known to Europeans, among which may be reckoned our philosophy ; the leading principles of which have been for the first time so ably illustrated by the learned director of the Royal Asiatic Society, in the first volume of the Transactions of that highly respected association. I think, I once observed to you while you were in India, how much I was delighted with his valuable essays, on the accuracy of which, and on the profound learning of the author, it would be presumption in me to offer my humble opinion. It was not easy for me to persuade certain of our wise men with whom I happened to speak on the subject, that a European gentleman was the author of those papers, and that they were written in England without the assistance of any of their own class. I hope he will continue to favour the world with similar views of our other philosophical systems in his future essays. A separate dissertation on our dialectic philosophy, illustrating at some length the different kinds of evidence,



(Pramána) will be highly interesting to the learned in Europe, as bearing considerable affinity to the analytic system of Aristotle. But whilst I contemplate the advantages to be derived, by the western world from the existence of the Asiatic Society in London, whose labours are certainly worthy of the illustrious persons who compose that body, I cannot but express a hope that it will not fail to extend its beneficial influence to this country : and though my public employment allows me very little time, I shall not fail to contribute my humble mite towards their able and generous efforts through your kind medium.

I trust I have given you in my last letter, a pretty full account of what is doing towards the general improvement of knowledge in this country, and particularly of the studies that are prosecuting in the college. Our English classes, I am happy to say, are daily increasing, and I trust improving too. Many of our young men have commenced the study of mathematics ; and it is no small satisfaction to reflect that the objects of the institution will at no distant period be fully attained ; and we shall have a good number of able translators and intelligent teachers ; but I regret to add that want of encouragement still continues to obstruct the way of improvement. The School Book Society, though still in its infancy begins already to exhibit every sign of its growing maturity. A series of useful elementary works in the several vernacular languages, well adapted to young people, are in a state of preparation and revision ; and we expect to see them added to the list of the Society's publications. I cannot however help lamenting at the reflection that our success has not been commensurate with our ardent wishes, and that the similar institutions in the sister presidences should have got the start of us in the race so happily begun. This tardy progress on our part is attributable perhaps not only to the lukewarmness of my own countrymen in Madras, but also to the remissness of our European patrons. I hope you have seen the very gratifying account of a meeting of the native inhabitants at Bombay, to express their regard for their

deserving governor, Mr. Elphinstone, on the occasion of his departure for England. They selected the very judicious mode of instituting a professorship in his name, for the extension of European arts and sciences in this country. Three native gentlemen subscribed 7000 rupees each, and upwards of 52,000 rupees were collected from the few persons that were present at the meeting. This liberality exceeds any that I have ever heard of. I regret there has been so much delay in the preparation of the piece of plate voted to you by the Madras inhabitants; it was certainly unavoidable. Our committee are very anxious to hear from their representatives in England on the subject. All your native friends are doing well except Vencatárāya Sústri the most esteemed head Pundit in the Suder Adálut who died only two days ago. Mut-tusami, Candusámi, &c. desire me to convey to you their humble respects, and promise to write to you. Candusámi's abridgment of the Smirti Chondrica has been printed, and he intends to circulate notice of his work, and to forward to you a copy by the present opportunity. Being apprehensive that I may be considered as too tiresome a correspondent, I beg to conclude this letter, much hastier indeed than I am inclined to do. Wishing you and your family health, wealth, and every success in life, I beg to subscribe myself with the greatest respect,

Sir,

Your most obedient and faithful servant,

RAM RAZ.

To Richard Clark, Esq., care of Messrs. Small and Co.  
Old Jewry, London.

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## No. III.

*Copy of a Letter from Ram Raz to Richard Clark, Esq.,*

## HINDU ARCHITECTURE.

Madras, January 13, 1828.

SIR,

IN my last letter, which I did myself the honour of addressing to you, I expressed a hope that I should be able to forward you an Essay on Hindu Architecture by an early opportunity ; but I fear I have been too premature in forming such a hope. I little calculated upon the time that would be necessarily required for me to surmount the various difficulties with which I have to contend in elucidating a subject now so little known in this part of the country. Little did I see the extent of the field into which my research has since led me. It is true I have procured several treatises on architecture, sculpture, &c., and I have already mentioned to you how much I am indebted to Dr. Aitken for the two manuscripts which he had the kindness to procure for me ; but our best Pundits have given them up as altogether inexplicable ; and although these works are all composed in Sanscrit, yet, with the exception of some topics connected with religious rites, sacrifices, and astrology (which occupy indeed a considerable portion of the Silpa Sastra, and with which we have no immediate concern), I might, without any exaggeration, affirm that the whole are no more intelligible than the darkest oracles are, at least to those who are unacquainted with the science itself. Our Pundits, it is well known, are skilful enough in scholastic disputation respecting grammar, logic, and law, to which perhaps may be added a qualification, though less general, in mythological

poetry and metaphysics, and a partial knowledge of astronomy and medicine; but our architecture, sculpture, painting, &c. have been for ages confined to a class of persons whom our ancient legislators have ranked amongst the lowest order of society. This class, perhaps jealous of the Brahmans, whose sacerdotal authority they have always opposed with a spirit of independence; or more naturally apprehensive of competition in their trade, took particular care to conceal the sacred volumes, which have descended to them, from the rest of the people; but as they have on their part been long denied the benefit of Sanscrit literature, these treatises could be but of little use to themselves; and the consequence has been, that while the practical part of the science continued to be followed up amongst them as a kind of inheritance from generation to generation, the theory became gradually lost to the whole nation, if not to the whole world. Even the few scattered fragments which have escaped the hand which either jealousy or the fear of competition has raised to conceal, or rather destroy, the science, are now alike unavailable to those who kept them to themselves, and to the priests; the former being compelled to refer to the latter for the interpretation of the superior dialect, and the latter to seek from the former for definition of technical terms which neither the one nor the other seem to have been able to explain or understand accurately. This circumstance, more than any other, has cost me considerable time and expense, without any adequate advantage. Our best Dictionaries, at least the best that I have been able to procure, do not contain a single architectural term, and the best of our workmen have been so long disused to their own ancient style of building durable public edifices, that it is not to be wondered at they should now ascribe their ignorance of the art as revealed from heaven, to the want of encouragement which appears indeed to have ceased on the decline of native rule. Such is the state of knowledge amongst those to whom we could look for any illustration respecting an art, the study of which has been so long



neglected in this country, and the few manuscripts too which have withstood the corroding hand of time inevitably contain numerous errors and defects, which it requires no small labour and time to correct and supply.

These difficulties, combined with want of time on my own part to surmount them, discouraged me for a long while, and it is but lately that I commenced to translate and to take down extracts and notes of some parts which I have been enabled to make out. There still remains a great deal to be done; nevertheless, great reason have I to think, that what I have already executed will facilitate my future progress. At all events, if it please Heaven, I hope to be able to send you at least a part of the work by an early opportunity, and though I cannot promise that my performance will be such as to meet with the approbation of the Royal Asiatic Society, yet I trust it may not prove altogether unacceptable to that learned body of men, inasmuch as it may tend to draw attention to this important subject, connected as it is with the state of arts and sciences in India in early days.

The subject itself is curious, and highly deserving of the attention of the antiquarian and the philosopher. A correct account and accurate elucidation of the art of building, practised by the Hindus, must throw considerable light on the early progress of architecture in general. Some of the western authors have traced a certain resemblance in the leading features of the buildings in Egypt and India, and have thence concluded that there has very early been a communication of architectural knowledge between the two countries. But it is not altogether improbable that this resemblance may be merely owing to accident, inasmuch as in architecture, as well as in every other art, indispensably necessary to the comfort of mankind, two or more nations may possess something in common, without having any intercourse with each other; for the wants felt by man being the same, it is not surprising that the remedies resorted to for supplying them should be

also similar, or nearly so. If, on the other hand, however, both these countries had actually any connexion in early ages, it is hard to determine which of them may have been indebted to the other. The western writers on antiquities have not placed this matter beyond doubt. And, for my own part, I will not venture to affirm any thing with certainty, until I have collected sufficient information to form an opinion as to this alleged affinity in the architectures of Egypt and India. I humbly presume, therefore, that until the *Silpa Sastra* of the Hindus is correctly illustrated, and laid before the public, the question as to whether the art owes its origin to the one, or the other, of the two countries must remain problematical.

Whilst the subject of my present research opens upon me such a wide field of delightful prospect, notwithstanding the difficulties I already anticipated, I cannot but acknowledge, with painful sensation, my own incompetency for the task, which your kindness has assigned to me; and regret most sincerely that it has not fallen into abler hands. Diligence and fidelity, however, in the execution of the work entrusted to me shall not be wanting on my part; but the result of my labours can be only commensurate to the ability I possess, compared with the difficulty of the subject itself.

I hope what I have already said will give you some notion of the nature of the undertaking in which I am engaged, and of the little progress which I have hitherto been enabled to make in consequence of unavoidable delays, arising partly from the difficulty of the subject, and partly from the want of leisure. You are too well acquainted with my trifling acquirements to entertain high expectations in the performance of the task assigned to me. I only purpose to write a short but comprehensive essay on Indian architecture from the materials that I may be able to collect; to which I shall perhaps add some descriptions of a few temples and porticoes, principally taken from the Carnatic, with corresponding designs.

Wishing you and your family every success and prosperity in life,

I remain, Sir,

Your most obedient and

Faithful Servant,

RAM RAZ.

Richard Clark, Esq.,  
Chiswick, near London.

*Proceedings at a numerous and respectable Meeting of the Native Inhabitants of Bombay, held in the Library of the Native Education Society, on Tuesday, August 28, 1827.*

THE meeting was opened by Madhowdus Rumshoddus taking the chair, at the unanimous request of the gentlemen assembled.

At the suggestion of the chairman, the object of the meeting was explained in the English, Mahratha, Goojratee, and Persian languages, viz. "To come to a resolution on the most appropriate method of attesting the affectionate and respectful sentiments of the native community towards the Honourable Mountstuart Elphinstone, on his leaving the government of Bombay, over which he has presided for the last eight years with so much virtue, ability, and integrity, accompanied with such invariable courtesy, kindness, and generosity."

Framjee Cowasjee rose to state that there were several methods of accomplishing their object; they might present a service of plate; they might erect a statue, or they might draw up a suitable address; the last of these he considered to be but a necessary accompaniment of some more permanent attestation of the feelings of their hearts. As to the terms of the address, there could be but one opinion; but he intreated the meeting to re-

volve in their minds by what other means they could most effectually perpetuate the remembrance of one to whom they had looked as their common father and friend.

The native gentlemen present then proceeded to discuss the various methods of carrying into effect their object, when it was at length

Moved by the chairman ; seconded by Framjee Cowasjee, and unanimously resolved, That the most satisfactory and durable plan of carrying their wishes into effect, is by accumulating a fund of money to be vested in government securities, from the interest of which, according to its amount, one or more professorships (to be held by gentlemen from Great Britain, until the happy period arrive when natives shall be fully competent to hold them), shall be established under the Bombay Education Society for teaching the English language, the arts, sciences, and literature of Europe ; and that these professorships, in compliment to the person in reference to whom the meeting has been convened, be denominated “ The Elphinstone Professorships,” with the reservation, however, from the principal subscribed, of a sufficient sum of money to defray the expense of a portrait of Mr. Elphinstone, to be placed in the library of the Native Education Society.

A subscription was in consequence immediately opened, when the following sums were subscribed by the members present :

	Rupees.
Roopjee Dhunjee.....	3000
Cursetjee and Jeehangeer Ardaseer .....	1500
Jagonnath Shunkerset.....	3000
Dhackjee Dadajee.....	2500
Bomanjee Hormasjee .....	1500
Framjee Cowasjee (Bunajee) .....	7000
Moola Feeroz.....	200
Nowrojee Jemsetjee .....	700
Dadabhoy Pestonjee .....	1500



	Rupees.
Jemsetjee Jeejeebhoy .....	7000
Moohummud Ulee Rogay .....	3000
Wittoba Caunojee.....	1000
Aga Mahomed Soosty .....	1000
Cursetjee Manockjee.....	1000
Framjee Bomanjee .....	250
Hormasjee Dorabjee.....	750
Nagurdus Heerjee Moodee.....	750
Cajee Goolam Hoosam Mahun .....	200
Pestonjee Cursetjee Jumsetjee Modee.....	1500
Vinkajee Merjee .....	500
Rustomjee Couwasjee Patule.....	500
Moodee Sorubjee Vacha Gandhee.....	300
Bappoo Ragoonath Loshee .....	150
Couwasjee Manockjee.....	400
Wassoodew Gunnesb.....	100
Sapoorjee Sorabjee Paruk.....	325
Tarrachand Motteechund .....	200
Hunsraj Hurreedas .....	200
Luchmeechund Poonjaaj.....	500
Lalha Bhanjee.....	100
Saddooddeen Shaikally Coor.....	200
Jamnadas Jugjeevondas .....	100
Cullianjee Shamjee.....	100
Dumma Gopal.....	100
Gopaljee Khunjee .....	100
Roopchund Rumechund Bhunallee.....	100
Munchurjee Turdoonjee and Co.....	300
Kaikhusroo Soorabjee .....	725
Suckharam Luxmonjee .....	200
Wittoba Ballajee.....	100
Luxmon Govindjee .....	100
Raghoba Jeevajee.....	100

	Rupees.
Pundoorung Dulvee .....	50
Gunput Sadasbew Naik .....	50
Bhasker Croostu Naik .....	50
Nanjee Seskuru .....	500
Madhoba Rughoonathjee .....	50
Juggonath Shastree Krannaondt .....	100
Mahommed Ibraheem Mucha .....	300
Ramjee Chuttoo .....	1000
Thucker Javiam Munjee .....	50
Dhunjeebhoy Framjee .....	1500
Cursetjee Jemsetjee Jeejeebhoy .....	1500
Furdoonjee Sorabjee .....	250
Moteechund Ameechund .....	750
Pestonjee Nowrojee (Bonajee) .....	500
Rustomjee Cowasjee (do.) .....	500
Mahomed Syed Rogay .....	1000
Moolna Esmail Kurrundad .....	50
Raheemdeen Shaik Bhicun .....	50
Mahommed Syed Purkar .....	200
Mahommed Abdulla Kulvakur .....	50
Ramchundra Shastree Junvakur .....	25
Sadasbew Kusheenath Ch'huttrui .....	300
Sorabjee Pestonjee .....	100
Shah Jogueedass Shiodas .....	500
Total .....	<u>52,276</u>

On the motion of Jemsetjee Jeejeebhoy, seconded by Kaikhusroo Sorabjee, it was

Resolved, That the subscription paper, together with a copy of the proceedings of the meeting, be circulated among the native inhabitants of Bombay for further contributions; and that it be sent to the out-stations for the same purpose.

Moved by Dhackjee Dadajee, seconded by Nowrojee Jemshedjee, and

Resolved, That a committee of native gentlemen be formed to carry these resolutions into effect, and to report to the subscribers when the measures proposed are sufficiently matured to enable them to hand up the address and resolutions to the Honourable Mountstuart Elphinstone ; the Committee to consist of

Jemsetjee Jeéjeebhoy

Davudus Hurjeevondas

Framjee Cowasjee

Jagonnath Shunkershet

Bomanjee Hormasjee

Mahomed Ulee Rogay.

Dhackjee Dadajee

And that Captain Jervis be requested to afford his aid as secretary to the committee.

The meeting then concluded with a vote of thanks to the chairman.

Subscriptions will be received by the members of the committee above named.

No V.

MY DEAR SIR,

I HAVE this moment the pleasure of receiving your note of this day. I beg to apologize to you for having kept until this time, the volumes which you very kindly lent me. Interruptions prevented me from completing my perusal of them so soon as I wished ; I now return them with my sincere thanks, and if perfectly convenient, you will I hope oblige me by a loan of the third, and by allowing me again a perusal of the second after a month or two. I think it is incumbent upon every man who detests despotism, and abhors bigotry, to defend the character of our illustrious minister, Mr. Canning, and support his administration if possible.

I will therefore embrace another opportunity of performing what I consider my duty. In the mean time I remain with sincere regard and esteem,

Yours most sincerely,

RAMMOHUN ROY.

October 9, 1827. — 7 P. M.

Pray excuse haste.

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No. VI.

MY DEAR SIR,

ALLOW me to return the volume containing the evidence on the state of Ireland, which you so very kindly lent me. It is, I presume, impossible for an uninterested person to peruse it as it is, and not come to a determination to second the cause of Catholic Emancipation; I content myself with an appeal to your humanity and good sense. I regret very much that I, who am heartily anxious to co-operate with you in all religious and secular matters, should be compelled to differ so widely from you in this single but important point. As there is I fear no chance of any change in our respective opinions on this subject, I hasten to conclude this with my fervent wishes for your health and success in all your views and undertakings in India, and remain

Yours very sincerely,

RAMMOHUN ROY.

November 23, 1827.

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No. VII.

MY DEAR SIR,

I HAVE been with infinite satisfaction given to understand by Col. Watson, that you opposed the emancipation of your Catholic fellow-subjects merely for the sake of argument, probably to know what the other party could advance in support of it. I was however at a loss till yesterday that a person like yourself, so liberal in every other point and so kind even to a humble foreigner such as I am, should be unfriendly towards his own countrymen,



and should be indifferent about their political degradation under the *cloak of religion*. I am now relieved from that anxiety, and wishing you with all my heart every success both at home and abroad, I remain

Yours very sincerely,

RAMMOHUN ROY.

December 8, 1827.

No. VIII.

MY DEAR SIR,

HAVING been for the last three months confined to the house by a return of my old and oppressive complaint, the asthma, which has oppressed me during the cold season most unmercifully, I regret I have not been able, in consequence, to do myself the honour of paying you my respects in person for a long while, but I hope to be able to do so shortly, as I imagine my cruel companion will leave me on the change of the season.

I am inclined to think the enclosed is intended for the individual bearing that name, who is employed at Colonel Imlack's office, and not for me, as the misnomer evinces, but it having been erroneously given me, I beg to return it herewith. Being still suffering under my distressing malady, I am totally unable to serve on the jury this session, but would be most happy to attend at the next.\*

I trust that your honour and all the members of your family are enjoying perfect health and felicity, and remain with much respect and deference,

My dear Sir,

Your most obedient,

February 15, 1828.

And devoted humble servant,

HURREE HUR DUTT.

To B—— R——, Esq.

\* This refers to a summons to serve on the petty jury; the writer is a man of the first respectability and talent. — Ed.





# PART IV.

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AN  
EXPOSITION OF THE RESULTS  
OF THE  
EAST INDIA COMPANY'S TRADE  
IN A  
POLITICAL AND FINANCIAL POINT OF VIEW,  
*From 1600 to the Present Time.*





## ADVERTISEMENT.

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PART IV. now presented to the Public has been much longer delayed than I could have expected, owing to the frequent occurrence of serious bad health. The cause is a matter of no concern to the Public ; and I only notice it to add, that a continued and critical state of ill health will prevent the completion of Part V. which I had originally proposed, and which was announced in the first advertisement of the work.

In taking leave therefore of the reader, I have to request his perusal of the following pages in the same spirit in which they have been written—a sincere desire to search after truth in a matter of high importance to the public interests. In the full consciousness of this motive, I can easily turn a deaf ear to the calumnies of opponents, or peruse their accusations with indifference or silent contempt. Justice to an oppressed people, and the establishment of facts through which the pros-

perity of India and of Britain may be reciprocally promoted, have alone actuated my endeavours; and whether my conclusions shall be ultimately proved right or wrong, if the discussion shall elicit those truths, by which the objects I have steadily had in view may at length be attained, it is all I can expect to compensate for the sacrifices which the undertaking has cost me.

R. RICKARDS.

LONDON,  
*March 1, 1832.*

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# I N D I A.

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## PART IV.

ON THE EAST INDIA COMPANY'S COMMERCE, AND ITS  
RESULTS.

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IN treating of the Company's Commerce, it is not my intention to enter into details affecting particular exports or imports. Enough has been already said, in the many publications which have appeared on this subject, as to the various articles of effective demand. on either side, in the commercial intercourse between Europe and Asia ; its capability of indefinite extension ; the now unequivocally admitted taste of Asiatics for European commodities ; and the value of those products which India yields, and may further yield, in incalculable abundance, for the uses and consumption of this country. To enlarge on these topics, would only be to repeat what



other writers have already explained ; and it would be as little consistent with prudence, or policy, to weary readers of the present day with hacknied arguments on the evils of monopoly.

There is, however, one question in the general range of those about to be discussed, which other writers have not touched, which I alone brought forward in 1813,\* and which, if my view of the case be correct, must be conclusive as to the policy of continuing or discontinuing the Company's trade ; and that is — the origin, and present proper incidence, of the Company's debts.

The East India Company have had, for nearly three quarters of a century, two concerns to administer ; their political or territorial concern, and their commercial concern. The territorial head embraces every thing connected with the defence and administration of the government of India—every thing in short that is not commercial—and if it can be shewn that the revenues have been more than sufficient to defray every description of political or territorial charge, during the Company's administration, leaving a large surplus at the end of the period about to be reviewed ; it follows, that as territorial debt, and surplus

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\* *Vide* Rickards' Speeches, Part III., p. 224—238.

revenue, are incompatible; such debts as may have been contracted during the period must necessarily attach to commerce.

This, then, is the simple fact intended to be explained in the following pages. True, it is at variance with almost universal prepossessions and belief; but if the proofs about to be adduced shall be found to be incontrovertible, no plea can then remain for continuing a trade injurious in all its current operations, both to India and to England, and absolutely ruinous, in its results, to the East India Company itself.

## CHAPTER I.

### SHORT RETROSPECTIVE SKETCH OF THE EAST INDIA COMPANY'S AFFAIRS FROM 1600 TO 1711.

IN the earlier periods of the Company's history, we have no precise statements of the actual condition of their affairs. It can only be collected from historical facts.

The first East India Company was established by a charter of Queen Elizabeth, in December 1600, for fifteen years. They were constituted a body corporate, with exclusive privilege of trade; and soon after raised a

1600.

capital of £69,091. Their first settlements were at Acheen, Bantam, the Molucca Islands, and at Surat. Another Company was chartered for China, in 1610; but the former charter was renewed by King James I., and rendered perpetual. At this time their adventures to India were on a limited scale. For twelve

Merchandise exported	£ 62,411
Bullion do. ..	138,127
	<hr/>
	£200,538
Ships, stores, provisions, &c...	263,746
	<hr/>
Total.....	464,228
	<hr/>
Average per ann. ....	£38,690*

years, from 1600 to 1613, the whole capital employed was only £464,284; averaging, therefore, £38,690

per annum; of which, greatly more than half was expended on the equipment of their ships. Their average profit on the whole of the twelve voyages, is, notwithstanding, rated at 138 per cent.

How this profit was calculated, does not appear. If the calculation assimilates to that of an example to be quoted presently (*vide* p. 425 *et seq.* and p. 433), there will be grounds for doubting its perfect accuracy; more especially as we know that in 1607 there were no profits; the ships in that year being wholly lost. Other losses were sustained in these years, by the hostile opposition the Company had to encounter from the Turks in the Red Sea, and from the Portuguese in India; but actual losses, with other charges to be hereafter noticed (*vide*

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\* Moreau, p. 1.

*p.* 452), seem always to have been studiously omitted from the Company's calculations of profit. What became of the ships and their expensive outfit, is not specified—an important element in statements of this nature, and therefore requiring to be accounted for.

Until 1612, the East India Company were a regulated Company, trading on separate interests but subject to fixed rules. They were then constituted a joint stock, with a capital of £429,000, and extended their factories in the Eastern Islands, and to Japan; to Surat, and to sundry places on the western side of India; and to Masulipatam, on the coast of Coromandel.

This capital was divided into four separate portions, for adventures to be undertaken in four successive years, or from 1613 to 1616; in which voyages there were no less than twenty-nine vessels employed; yet the bullion and goods exported, in the whole period, amounted to no more than £189,516; whilst the purchase repair and equipment of their ships, amounted to £239,484, or, as before, to more than one-half of the actual capital employed.

Capital	£429,000.	
Expended in goods and bullion	£189,516	
Do.      Ships, &c. ....	239,484*	
		<hr/> 429,000

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\* Mill says £272,544. Vol. i. p. 20.



A new subscription was shortly afterwards raised, amounting to £1,629,040, and divided among nine hundred and fifty-four subscribers; of whom fifteen were dukes and earls, thirteen countesses and other titled ladies, and eighty-two knights, including judges and privy counsellors. Like the former capital, this was also divided into portions for separate annual voyages. The Company was called the second joint stock Company. Their affairs were, as usual, reported to be prosperous, and their stock sold currently at 203 per cent.\*

1620  
to  
1624.

The following abstract of the Company's trade, from March 1620 to 1624, was at this time laid before Parliament; and is here subjoined, as being characteristic of the mode in which, from the earliest times, they submitted estimates of profit to the public.

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\* Mr. Moreau (p. 1.) says the Company boasted in 1613 of a profit on a joint stock voyage of 340 per cent.; but these boasts of high profit are brought into considerable doubt by a document presented to parliament in 1621, where it appears that, out of eighty-six ships sent to India between 1600 and 1621, only thirty-six had returned safely; nine were lost; five worn out by long service from port to port in India; eleven taken by the Dutch, and twenty-five remained in India or on the voyage home. The Company having always been their own insurers, it is difficult to conceive how, under such a vast loss of capital, any profit could have ultimately resulted from the trading adventures of this period.

Years.	Ships.	Exports.	Value of		REMARKS.
			Exports to India.	Imports from India.	
1620	10	Bullion . . . . Merchandize	62,490 28,508		All the ships detained in India to defend the Company's property against the Dutch, except one which brought home Indigo, Calicoes, Drugs, &c. to the value stated.
		Total . . . . .	90,998	108,887	
1621	4	Bullion . . . . Merchandize	12,900 6,523		The money being wasted in the quarrel with the Dutch, only one ship returned, loaded with pepper, cloves, and China raw silk.
		Total . . . . .	19,423	94,464	
1622	5	Bullion . . . . Merchandize	61,600 6,430		Cargoes of five ships, consisting of pepper cloves, mace, nutmegs, gum lac, indigo, calico, &c. £296,500, and Persian raw silk, £93,000.
		Total . . . . .	68,030	389,500	
1623	7	Bullion . . . . Merchandize	68,720 17,345		Pepper, cloves, mace, nutmegs, indigo, calico, &c. brought in five ships, value £486,593, and Persian raw silk £96,000
		Total . . . . .	86,065	582,593	
			264,516	1,175,444	*

\* Moreau, p. 1, where the same sums in the last column are spoken of as "the value produced at the sales."

This statement exhibits, no doubt, a large return from sale of imports, when compared with the original outlay, or value of bullion and goods exported ; and may account for the readiness with which East India subscriptions were filled ; but it will be observed that it only embraces a small portion of the subscribed capital. If the remainder was in this, as in former instances, expended in the outfit of ships, the balance of their exports and imports would be anything but clear profit. The expenditure on account of shipping, or £1,364,524, would still require to be accounted for.\*

Capital .....	£1,629,040
Goods and bullion exported..	264,616
Remains to be accounted for	<u>1,364,524</u>

But a remarkable fact, recorded in this case, is that the above sum of £1,175,444 is the sale proceeds of the cargoes of twelve ships only, out of twenty-six equipped for the occasion. Of the remaining fourteen, ten were actually fitted out as ships of war, and “detained in “India to defend the Company’s property ;” whilst the money sent out in two other ships, is also admitted to have been “wasted in their “quarrel with the Dutch.† If therefore the

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\* The Company were now possessed of 36 ships of from 100 to 1000 tons.—Mill, vol. i. p. 23.

† Moreau, p. 1, and Mill, vol. i. p. 28, 29.

ships, which did not return to England, were lost, captured, or worn out in the service, as on former occasions;† or, if the difference between the value of the Company's exports, and the amount of their subscribed capital, were absorbed in these equipments, in their contests with the Dutch, and defence of their numerous factories; it is clear, that, instead of profit, there must have been a heavy loss sustained on the actual out turn of these adventures.

The Company, it is true, are said to have received in 1619, from the Dutch, £80,000 as compensation for ships and property plundered by them in India. But if this sum were added to the sale proceeds of the return cargoes, making together £1,255,444, to be deducted from £1,629,040, the sum of capital employed; the difference, £373,596, would be net loss, besides interest, dividends, customs, charges of merchandize, &c.

The Company had moreover to pay King James I. and the Duke of Buckingham, at this time, £20,000 as droits of Admiralty, for the capture of Ormuz from the Portuguese, besides the fruitless expense of the expedition; Ormuz, and their other stations in the Persian

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\* *Vide* note, p. 424.



1620  
to  
1624.

Gulph, proving in the end to be of no importance, but rather a useless charge.

To these incumbrances, heavy losses and reverses abroad, were now to be added. From the first English Company entering into the Indian trade, they were engaged in constant, often unequal, hostility with their rivals, the Portuguese and Dutch. Their commerce required indeed to be armed at all points for defence; notwithstanding which, their weakness abroad, compared with the power of the Dutch, was such as to place them at the mercy of their rivals.\* The English factory at Amboyna was taken by the Dutch, and the inhabitants inhumanly massacred, in 1623; and shortly after, the Company's agents and servants were driven out of the other spice islands, with the loss of vast property in goods, stores, ships, &c.

In spite therefore of the fallacious display of advantageous sales in England, historical facts thus prove the existence of great embarrassment and pressure on the Company's affairs, from the earliest times of their commercial career; not a particle of which seems ever to have been included in their estimates of profit.

1624  
to  
1628.

From 1624-5 to 1626-7, we have no account

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\* Mill, vol. i. p. 31.

of the Company's capital ; but their trade is represented to have been subject to great obstruction, and their agents to continued mortifications and disasters; from the Dutch in the Eastern Islands; from the Danes, a new rival, in Tanjore; and to have been driven from Masulipatam, in 1628, by the oppressions of the native government. With narrow funds, and unskilful management, their commercial efforts were still feeble, and their affairs generally in a declining state.\*

1624  
to  
1628.

The threatening aspect too of public affairs in England, after the accession of Charles I., and the unpromising appearances of the Company's trade, had greatly reduced the value of their stock; so that in 1628 it fell to 80 per cent; at which time they had been obliged, as confessed by themselves, to contract debt to the amount of £200,000. During the troubles of Charles's reign, further disorganization ensued; whence in 1632, profits were not computed at more than  $12\frac{1}{2}$  per cent, and stock was still much below par.

1628.

In this year a subscription was opened for a third joint stock, and amounted to £420,700. We are left again, for a series of years, in darkness as to the amount of capital employed in their annual adventures, or the value

1632.

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\* Mill, vol. i. p. 37, 38, 39.

1632. of their returns. We only know, that their factories were extended in Hindostan; that their prospects of successfully contending with the Dutch, in the Eastern Islands, had become hopeless; whence their fleets were chiefly directed to Surat; that their servants abroad only attended to their own interests, pursuing their own private trade with avidity, and abandoning that of the Company, to every kind of disorder;\* and that from this clandestine trade, and the still loudly complained-of competition of rivals, the Company themselves were greatly alarmed for the fate of their exclusive privilege.

1637. But these difficulties were much encreased in 1637; when the King, it appears, licensed a new company, called *Courten's Association*, to trade to Goa, Malabar, China, and Japan, for five years; and in which Charles himself became a shareholder.

The rivalry of this association had nearly involved the Company's affairs in utter ruin. The preamble to Courten's grant expressly declared that it was founded on the mismanagement of the East India Company; who had done nothing for the good of the nation, in proportion to their privileges, or the funds

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\* Mill, vol. i. p. 41.

at their disposal. Its first effect was a complete suspension of the Company's trade at Surat. The directors continued in absolute despair.\* The calamities they endured from successful rivalry were the theme of incessant complaint; till at length their remonstrances and petitions for relief prevailed; and on condition of their raising a new joint stock to carry on a trade of sufficient magnitude, it was agreed that Courten's license should be withdrawn. 1637. 1640.

The credit of the East India Company was at this time so low, that on opening books for a fourth joint stock, only £22,500 were subscribed. But another calamity now attended them; for King Charles's distresses drove him to seize on all their pepper in warehouse—that is, nominally to buy it on credit, for £63,283, which he immediately sold for £50,626. On a pressing application afterwards for payment, the King remitted to the Company £13,000, owing for duties. It does not appear that the remainder was ever paid; whence the cost and charges of this pepper must have fallen as a dead loss on the third joint stock. 1642.

Their trade was now in so languishing a

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\* Mill, vol. i. p. 42, 43.



1642. state for want of funds, that their agents abroad were avowedly obliged to borrow money to supply the required home investments.\*

In 1642-3 a second subscription was opened for the fourth joint stock, and produced £105,000; but whether including the former subscription, or otherwise, is not stated. Courten's license was still not withdrawn, although the embarrassments and losses of the Company were such, as to occasion their repeated and solemn declarations to government, that, with its continuance, the ruin of the East India Company was sure.†

1650. After much difficulty and negotiation, an union of these two Companies was at length effected in 1650, and denominated the "United Joint Stock;" but with what amount of capital, or how raised, is not disclosed.‡

1646. Meanwhile, or in September 1646, the Company delivered a statement of their affairs, by which it appeared they had incurred a debt in England of £122,000, besides losses, and interest, to the amount of £85,000 more; but setting against this their quick stock and assets, amounting to £180,511, they still laid claim (as usual in statements of this kind) to

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\* Mill, vol. i. p. 46; and Bruce, vol. i. p. 385.

† Mill, vol. i. p. 51.

‡ Mill, vol. i. p. 47.

a clear capital of £180,000;\* because, they 1646.  
observed, the profits on these assets would

\* The following may serve as another specimen of the mode in which statements of the Company's affairs were in those days submitted to Parliament : —

“ State of the Affairs of the Fourth Joint Stock on the  
4th Sep. 1646.

“ Lost in the John.....£20,000

“ Lost by wreck of the Discovery .... 30,000

“ *Paid in interest*..... 35,000

“ Total.....£ 85,000

“ Debts due by the Company in England .... 122,000

“ The Company's effects consisted of —

“ Quick Stock at Surat.....£83,600

“ Do. at Bantam ..... 60,731

“ Shipping ..... 31,180

“ Customs at Gombroon ..... 5,000

“ Total.... 180,511

“ Whence it was estimated that the profits of the Quick  
“ Stock would be sufficient to discharge the debt, and leave  
“ a clear capital of £180,000 in money, merchandise, and  
“ outstanding debts in England and India, independent of  
“ the sum owing by the king for pepper.”—Moreau, p. 2.

This, it must be admitted, is a convenient short cut by which to arrive at any desired amount of profits. It is also to be remarked, that if the Company had at this time to pay £35,000 *in annual interest*, their debts must have amounted to a much larger sum than £122,000. At 5 per cent. interest, the principal of their debts would be £700,000, instead of the sum above given.

But whatever may have been at this time the aggregate

1646. suffice to replace losses, and to clear off all their debts.

Harassed, however, by rivals at home, plundered by their servants, and exposed to the intrigues and open hostility of foreign competitors; we have, in the two instances afore-mentioned, the first notices of their reverses having produced an accumulation of debt.

1654-5. Although the history of this period is one of continued embarrassment and confusion, of heavy expenditure and losses abroad, and of uninterrupted animosity and warfare with their ancient rivals the Dutch, we have another statement of the Company's affairs in 1654, in which their debts are only stated at 29,271*l.* (afterwards, or in 1655, acknowledged to be 50,000*l.*), and their assets valued at 185,589*l.*; leaving therefore an alleged balance in favour of 156,317*l.*

In 1657, the commerce with India was thrown open by Cromwell; the Company's

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amount of their debts, it is right the reader should see how fallaciously the Company have always estimated their profits; and that these estimates, when analyzed, so far from shewing real gain, more strongly indicate the probability, if not indispensable necessity, of loans, and the consequent accumulation of debt, to carry on the current operations of the Company from the earliest times.

shipping was consequently much reduced, 1657.  
 their operations proportionally limited, and  
 Europe glutted with Indian goods by private  
 traders, termed "*Merchant Adventurers*," The  
 Company's necessities driving them to a coalition with the *Merchant Adventurers*; a new  
 subscription was opened in 1658, and filled to  
 the amount of 786,000*l.*; and shortly after  
 the accession of Charles II., or in 1661, the 1661.  
 Company were again re-established by charter.

For several years after this union, the adventures of the new joint stock were continued on a very limited scale; neither were they more prosperous than those of the old, being still harassed and obstructed by "*Interlopers*," as they were then termed, and by the uninterrupted jealousies and hostility of the Dutch. We are still left in the dark as to the precise amount of adventures to India; we only know, that they were insignificant, and the transactions at the several factories consequently feeble and unsuccessful.\* It would seem too, as if the investments for England, were at this time provided very much with borrowed money; for we find the agents at Surat (then the Company's chief settlement

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\* Mill, vol. i. p. 56; and Bruce, vol. i. p. 549.



1661. in India), recommending to the directors “to  
 “borrow money in England at 4 per cent.  
 “rather than leave them to take up money in  
 “India at 8 or 9 per cent.”

1658 Of this period of weakness and obscurity,  
 to  
 1770. Mill, in his “History of British India,” gives  
 the following account.

“With inadequate means, the operations of  
 “the Company in India were by necessity  
 “languid and humble; at Surat, the out-fac-  
 “tories and agencies were suppressed. In-  
 “structions were given to sell the English  
 “goods at low rates for the purpose of ruining  
 “the *Interlopers*. The Dutch, however, re-  
 “venged the private traders, and by the com-  
 “petition of their powerful capital, rendered  
 “the Company’s business difficult and unpro-  
 “fitable. On the Coromandel coast, the wars  
 “among the native chiefs, and the overbearing  
 “influence of the Dutch, cramped and threat-  
 “ened to extinguish the trade of the English;  
 “and at Bantam, where the Dutch power was  
 “most sensibly felt, the feeble resources of  
 “their rivals hardly sufficed to keep their bu-  
 “siness alive.”\*

1664. In these circumstances, India stock had  
 fallen to 70 per cent.; a statement of their  
 affairs was however published in 1664, whence

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\* Mill, vol. i. p. 58; vide also Bruce, vol. ii. p. 130.

it appeared, that though their debts amounted to 165,807*l.*, they had assets to the amount of 660,841*l.*; leaving therefore an estimated balance in favour of 495,034*l.* Their stock was accordingly valued at 130 per cent.; and books were opened for a new subscription at this rate. 1664.

In 1670, the Company obtained possession of Bombay by grant from Charles II., dated in 1668; and in 1673, raised six thousand men for its defence. In this latter year, they also obtained possession of St. Helena; which after several changes of masters, was now finally recaptured from the Dutch, and confirmed to the Company by royal charter. With the extension of their factories and possessions, their commercial speculations were greatly enlarged; to which, the rapid advances made at this time by England in wealth and prosperity, are said to have mainly contributed. 1670. 1673.

Larger subscriptions were, it would seem, thus provided for adventures to India; so that in seven years, from 1668 to 1674, their exports in goods and bullion averaged 239,028*l.* per annum; of which 166,473*l.* per annum, was precious metal.\* But comparing this sum with the account given by Mill, of their adventures to India, which, in exports of bullion and mer-

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\* Vide Mill, vol. i. p. 64.

1673. chandize, hardly amounted in any one year, previous to 1665, to 100,000*l.*—often to not one-fourth of that sum—and admitting the present alleged increase, the amount of their several adventures is still too small to account satisfactorily for returns, equal to the distribution of large dividends among the proprietors, to discharge at the same time a heavy expenditure both at home and abroad, and to replace, with available assets, the sum of their respective subscribed capitals. We accordingly find, that notwithstanding this unusual increase of funds, and probably of advantageous sales at home, their pecuniary difficulties were but little, if at all, lightened; for, in reply to an order to provide a large investment, the president and council at Surat, in 1673-4, reported their debts there to be 100,000*l.*, afterwards 135,000*l.*; and that return cargoes must be suspended, till by the application of the funds received from Europe, the Company's credit should be revived.\*

By the publication, however, of exaggerated statements of their prosperous condition, they were enabled shortly afterwards, to double their stock from 369,891*l.* to 739,782*l.*, and its value, which had been for some time below par, rose in 1677 to 245 per cent. Mill, how-

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\* Mill, vol. i. p. 65; and Bruce, vol. ii. p. 337, &c.

ever, observes, of these statements, that they are gross fallacies, and that down to this period the Company, so far from making great savings, were always contracting debt.\* 1677.

The King granted them a new charter in this year, confirming former privileges, and granting others. They were at this time vested with authority to coin money, to make war and peace with any but Christian powers, to administer justice, to seize unlicensed persons and send them to England, and afterwards, or in 1685, with Admiralty jurisdiction, that is, with power to try and condemn their opponents whose resort to India had greatly increased, to the vast injury of the Company's affairs, and who were accordingly characterized as *Pirates* and *Interlopers*.†

Although the Company's concerns were now greatly encreased, we have no proof of their having been more profitably conducted, or with greater economy than usually marks the proceedings of privileged bodies. For eight years from 1674-5 to 1681-2, we have an account of their exports to India averaging

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\* Mill, vol. i. p. 66.

† Such was the Company's virulence against *Interlopers*, that in 1691 they were ordered to be tried for their lives before the Admiralty court in Bombay as pirates, and sentence of death passed, but execution stayed till the king's pleasure should be known.—Vide Mill, vol. i. p. 76, 77.



1677. 457,768*l.* per annum, but without, as Mill observes, uncommon or important results. Their trade had ever been carried on in ships equipped for warlike purposes.\* Their expenditure abroad seems to have been on a corresponding scale. The cost of maintaining forts alone in India, was admitted to be 100,000*l.* per annum,† besides, as would seem the expense of fortifying Bencoolen (after the loss of Bantam, taken in 1683 by the Dutch), and building, and garrisoning three other forts for the protection of their pepper trade. For several successive years from 1681-2 we have no account of the tonnage and stock of their annual voyages ; but the project of a rival Company at this time threatened them again with that competition which they always regarded as their greatest misfortune, and induced them, as both Mill and Bruce observe, to speak of their affairs, “ not in terms of exact detail, but in those of vague and hyperbolic estimate.”

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\* In a work published by Sir Josiah Child, one of the Directors in 1670, entitled “ Discourses on Trade,” he speaks of the Company’s shipping “ 25 to 30 of *the most warlike merchant ships in the kingdom*, with 60 to 100 mariners in each.” In 1677 the Company’s fleet is said by the same authority to consist of 30 to 35 ships of 300 to 600 tons, and carrying from 40 to 50 guns each.

† Moreau, p. 3. See also Mill, vol. i. p. 62.

In 1681 their debts bearing interest had 1681.  
 encreased to 550,000*l.*; yet by a valuation of  
 assets, they made it appear, that they had a  
 favourable balance of 1,700,000*l.* obtained a  
 new charter from King Charles II. in 1683, 1683.  
 and proclaiming their average profits, from  
 1676 to 1685, to be equal to 100,000*l.* per 1685.  
 annum, the value of their stock ranged during  
 this period from 300 to 500 per cent; and they  
 were enabled to borrow money on their bonds  
 at 4 or 5 per cent interest.

About this time, however, they were involved  
 in most disastrous wars abroad with the offi-  
 cers of the Mogul Government; during which  
 their factories at Patna, Cossimbuzar, Hoog-  
 ley, Masulipatam, Vizagapatam, Surat, and  
 the greater part of the island of Bombay,\*  
 were taken and plundered. By successful  
 negotiation, and stooping to the most abject  
 submission, these places were afterwards res-  
 tored, “but the interruption and delay sus-  
 “tained by the Company, made them pay  
 “dearly for their premature ambition, and for  
 “the unseasonable insolence, or imprudence  
 “of their servants.”†

Their charter being again renewed by King

\* Bombay was at this time a regency.

† Mill, vol. i. p. 74.

1689. James II. in 1689 with additional privileges, they were now authorised to purchase, from native proprietors, three villages on the Hoogley, extending three miles along the East bank of the river, and one mile in land, on which spot the City of Calcutta now stands. For this acquisition it was agreed they should pay to the Nabob Rs. 1196 annually ; and this is the commencement of the Company's territorial possessions in Bengal.

1693. The most prosperous account of the state of their concerns was now again published ; although it appears from official documents that the whole value of their exports to India, in goods and bullion, did not average, for the six preceding years, more than 126,677*l.* per annum.\* A renewal of their charter was however granted by King William in 1693; and the continuance of the joint stock determined to be fifteen years on a capital of 1,500,000*l.* By this, and a supplementary charter granted  
1694. in the following year, private traders were prohibited from resorting to India ; but the House of Commons, objecting to the charter, came to a vote, “ that it was the right of all “ Englishmen to trade to the East Indies, or “ to any part of the world, unless prohibited

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\* Moreau, p. 4.

“ by act of parliament,” The new charter consequently produced clamour, and opposition, among all ranks connected with commerce and manufactures. Interlopers abounded. The silk weavers of Spitalfields violently assaulted the India House; and the Company having sustained vast losses during the eight years’ war which ended with the treaty of Ryswick,\* their trade and charter were now reduced to a precarious state; in-  
 1697.  
 somuch that for several years they had been, and were still, unable to divide any profits. The Company indeed, laboured under the most pressing embarrassments. Although, throughout the whole period of their history, they studiously kept their pecuniary difficulties from the public eye, it is known that at this time, their debts at Surat alone amounted to Rs. 2,000,000 (225,000*l.*); and that disappointed of expected funds from England, the agents at Surat were unable to supply a cargo for even three ships, without borrowing Rs. 180,000 (20,250*l.*) for the purpose; whilst, so low was the Company’s credit, this

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\* In this war 4200 British merchant ships were captured by French ships of war and privateers. Among the captured were several of the Company’s valuable homeward bound ships.



1697. small sum could only be raised by granting certain privileges to the lenders, and was at length taken up on loan, from the Company's own servants.\*

It was also discovered that the Company had been in the constant habit of bribing men in power; and that in 1693 they had expended, in this way, nearly 90,000*l.*, of which 5000*l.* had been given to the Duke of Leeds, and for which he was impeached by the commons.†

1698. Surrounded by enemies and rivals at home, they offered, in this dilemma, to lend government 700,000*l.* at 4 per cent. on their privileges being confirmed by parliament; but another body of merchants tendered 2,000,000*l.* at 8 per cent. on being invested with all the privileges of the India trade. The latter offer was accepted. A new company called the "General Society" was thus established; and the old, or London, company allowed to trade with the new until 1701. The subscription of two millions was speedily filled; the old company taking shares in it to the amount of £315,000. A clause was introduced into the new act to restrain the payment of dividends until certain debts

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\* Mill, vol. i. p. 78.

† Ib. p. 79.

should be first liquidated; and likewise to prevent the Company's debts ever exceeding their capital stock; or, if they should do so, to render proprietors responsible in their private fortunes for debts to the whole amount of what they might have received, as dividend or share, after the debt should so exceed the capital; but this good policy, as Mill observes, was little regarded in the sequel.\* 1698.

The rivalry thus excited between the two companies, produced the natural effects of confusion, embarrassment, and loss. The consequent enhancement of prices abroad, and the glutting and depreciation of markets at home,† soon brought all the parties concerned to the brink of ruin. India stock had fallen to 37 per cent.; and reason at length prevailing, the two conflicting companies were brought in 1702 to concur in terms of union, which led to their subsequent incorporation in 1708, by the 6 Anne, c. 17., under their present title of "The United Company of Merchants of England, trading to the 1702. 1708.

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\* Mill, vol. i. p. 83. — Act 9 and 10 Gul. III. cap. xlv.

† Competition was always the source of the Company's greatest alarms; the burthen of their constant complaints against "interlopers;" and the evil against which their monopoly never had a chance of success.

1708. **East Indies.”** The evils of this period were greatly aggravated by the act of 1698 not requiring the new company to trade on a joint stock;\* whence several of the members availed themselves of the privilege to trade on their own separate account. Competition, with all its calamitous consequences, was now in full activity; — jarring interests, mutual contentions, undisguised violence, and impending ruin. It was not till 1711 that this scene of tumult and embarrassment ceased; when the whole united body became, like its predecessors, a joint stock company; and, having advanced to government a further sum of 1,200,000*l*.† without interest, their capital, as it was called, was increased to 3,200,000*l*., yielding an interest equal, on the whole, to 5 per cent.

The absurdities and imperfections of this arrangement are strongly commented on by Anderson, in his *History of Commerce*, and other writers. Adverting to these comments, Mill subjoins the following just observations: “ But the chief mark of the ignorance at that

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\* 9 & 10 Gul. III. Cap. xlv.

† To enable the Company to advance this further sum to Government, they were empowered by the same act to borrow £1,500,000 on their common seal, or to call in money to that extent from the proprietors.—Mill, vol. i. p. 89.

“ time of parliament in the art and science 1711.  
 “ of government, was *their abstracting from*  
 “ *a trading body, under the name of loan to*  
 “ *government, the whole of their trading ca-*  
 “ *pital, and expecting them to traffic largely*  
 “ *and profitably when destitute of funds.*  
 “ The vast advance to government, *the place*  
 “ *of which they feebly supplied by credit, beg-*  
 “ *gared the English Company, and ensured*  
 “ *their ruin from the first.*”\*

The adjustment of accounts between the two companies, previous to their final union, was a work of no small labour and difficulty. The award of Lord Godolphin in 1708 closed it: of this, however, it is only necessary for our present purpose to notice, what the investigation disclosed, that the debts of the London Company, in Britain alone, amounted at this time to 399,795*l.* 9*s.* 1*d.*, exclusive of the debts at home owing by the New Company, and of the debts abroad taken on joint account by the United Company, it being stipulated at the same time that the home debts of both Companies should be liquidated before the 1st of March, 1709, by means of calls on the proprietors.†

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\* Mill, vol. i. p. 84.

† Mill, vol. i. p. 90; and Russell's East India Acts and Charters, App. pp. 18—30.



Of their assets (taken always at their own valuation), all we know is, that at this time the assets of the London Company fell short of the amount of their debts abroad by 96,615*l.*; and that the assets of the New Company exceeded their debts in the sum of 66,005*l.*;\* whence the united accounts exhibited, according to their own shewing, a deficient balance of 30,610*l.*, besides the sum necessary to replace their *actual trading capital*; all of which, therefore, can only be viewed as a total loss.\*

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From contemplating the history of this period, we may therefore fairly deduce:—First, That the aggregate amount of the Company's adventures to India during the period reviewed, were very inadequate, with any conceivable amount of real profit, to the discharge of a heavy expenditure; or rather, that their expenses, and known losses, at home and abroad, must have absorbed profits, together with a portion, if not the whole, of the capital subscribed; for in no published account is the real trading stock of either company any where accounted for.

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\* Vide Mill, vol. i. p. 89.

† For explanations and an analysis of the Company's asset accounts, the reader is referred to *Chap. IV. p. 566. et seq.*

We have Mill's authority, as before stated, that the sum total of the Company's exports to India, never exceeded in any one year previous to 1665 . . . . . £100,000

And in some years did not amount

to (*vide p. 438.*) . . . . . 25,000

From 1667-8 to 1673-4 they averaged

(*vide p. 437.*) per annum . 239,028

From 1674-5 to 1681-2 (*vide p. 439.*) 457,768

According to a table published

by Mr. Moreau from official documents,

the whole of the Company's exports in goods and bul-

lion, from 1687 to 1693 (*vide*

*p. 442.*) only averaged per annum 126,677

And for thirty years, or from 1680-1

to 1709-10, with a greatly in-

creased capital, . . . . . 374,566

These sums, with the net profit on sales, and the remainder of their respective capitals, constitute the funds which were then at the Company's disposal for the discharge of their expences at home and abroad. Their disbursements consisted of the cost and complete equipment of their "most warlike merchant ships," their current outlays at home, including dividends to the proprietors of stock; and the cost and maintenance of no less than eighty-four factories (many of them regular for-

tifications) in different parts of India and the Chinese Seas.\* If to these are added the heavy losses sustained by the Company at sea, as well as from capture, constant hostility with the Dutch, the rivalry of contending companies, and of *interlopers*, which so frequently reduced them to a precarious state, it is scarcely consistent with rational belief, that the results of their limited annual adventures should have yielded the means of repairing such losses, or of defraying such various and weighty charges.

On the subject of forts and factories, Sir Thomas Roe, ambassador to the court of the Great Mogul, so early as 1614, gave to the Company the following advice. “On my  
“ first arrival I understood a fort was necessary,  
“ but experience teaches me we are refused it  
“ to our own advantage. If the Emperor  
“ would offer me ten, I would not accept of  
“ one.” Sir Thomas then adduces evidence to prove — first, that it would be of no service

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\* In Mr. Moreau’s work, p. 4, the whole of these factories are enumerated.

Mill, speaking of these factories, observes : “ One grand  
“ source of the expences which devoured the profits of the  
“ Company’s trade was their factories, with all that mass of  
“ dead stock which they required — houses, lands, fortifications, and equipments.”—Vol. i. p. 62.

to their trade. "Secondly," he adds, "the charge is greater than the trade can bear: for to maintain a garrison will eat out your profit. War and traffic are incompatible. The Portuguese, notwithstanding their many rich residences, are beggared by keeping soldiers. They never made advantage of the Indies, since they defended them. Observe this well. It has also been the error of the Dutch, who seek plantations by the sword. It is not a number of ports, residencies, and factories that will profit you. They will encrease charge but not recompense it."

It would have been well for the Company had they followed this excellent advice; but, neglecting it, we have seen that, about the year 1680, (*vide p. 440.*) these establishments are stated to have cost them £100,000 per annum. It is also recorded,\* that, of twenty-nine factories established at different times and different places, for the protection of their pepper trade alone, most of them were withdrawn from not answering the expense of their maintenance; whilst at other times and places, these establishments are represented as ruinously expensive, unnecessary for the purposes of trade, only of use as sources of patronage to

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\* Moreau, p. 4.



the Directors,\* and absolutely devouring their commercial profits.

That commerce, indeed, which can only be carried on in fortified factories, and vessels armed for aggression or defence, may confidently be supposed to have its funds absorbed in current expences, and frequent spoliation ; and bankruptcy, or debt, to be the unavoidable results ; whilst the statements of gain presented to the public, would naturally be such as are usually prepared by privileged bodies, interested in the concealment of real facts, and desirous of retaining to themselves all the envied privileges and advantages of chartered rights.

In modern times we are informed, on high authority,† that the Company's commercial statements, presented to the public, do not contain any charge for interest on the capital employed — insurance — cost of factories, warehouses, and other buildings — customs — salaries to Board of Trade and other commercial establishments — loss by advances to manufacturers — “ with various other out-  
“ lays, incidental to the trade.” If this were

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\* Mill, vol. i. p. 51—63.

† Tucker, p. 180. Mr. Tucker, now a Director, was formerly accountant-general in Bengal, where he had the means of the minutest information regarding the Company's accounts.

the case in former times and we have too much reason, as already shewn, to suppose it so\*—there can be no difficulty in reconciling real accumulations of debt, with fallacious statements of profit, which none but the Directors themselves, or their officers, had the means of scrutinizing.

Secondly—The Company's balance sheets, presented at this time to the public, although the only documents forthcoming that pretend to exhibit a general view of the Company's affairs, are nevertheless entitled to no credit on the score of accuracy. Like the similar statements of modern date they are remarkable for an overvaluation of assets on the one hand; and, on the other for an omission unheard of in mercantile accounts, that of the capital stock embarked in the concern. It is clear that the capital of every merchant must be made good out of available assets; and should consequently be inserted, in statements of debts and assets, as a debit entry. But *in the East India Company's accounts, from the earliest times, it is constantly omitted*; and obviously for no other reason than to exhibit a favourable balance, which would other-

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\* See the Company's estimates of profit in *pages, supra, 423, 425, et seq. and 433.*

wise be unfavourable ; or to cause an unfavourable balance to appear less so.\*

In the case before us the capitals of the different companies raised by each would seem to have wholly disappeared ; that is, to have been absorbed in wasteful expenditure, ruinous losses, or the accumulation of useless and unproductive dead stock. We know that the Company's affairs, during this century, were frequently involved in inextricable confusion.† The difficulties of adjusting old accounts, and old stocks, on every erection of a new company, or raising new subscriptions, seemed to be insurmountable ; and though payments were demanded by old subscribers from their successors, it no where appears whether these capitals, or any portion thereof, were ever repaid. Such, indeed, was the confusion attending these adjustments, that, according to Mill, there were at times, to all intents and purposes, two East India Companies, two separate bodies of proprietors, and two separate courts of Directors, acting under one and the same charter.‡

Various other causes were in constant operation throughout this period to burden and embarrass the Company's affairs. From the

\* Vide *Chap. IV. p. 566. et. seq.*

† Mill, vol. i. p. 40. 44. 52.

‡ *Ib.* p. 44. 47.

commencement of their career they had been engaged in active hostility with the Portuguese and Dutch ; to which was added a fresh competition on the part of the French in 1668. The Company estimated the damages they had sustained by this warfare, from 1611 to 1652 at 2,695,999*l.* 15*s* ; but the Dutch setting up counter-claims, the commissioners, who had to decide on the dispute in 1654, only adjudged to the English as compensation 85,000*l.* with the cession of a spice island, Polaroon, which, Mill says, was not worth receiving.\* Of this sum £3,615 was allotted to be paid to the heirs or executors of those who were massacred at Amboyna. But the whole 85,000*l.* was at this time claimed by three different parties, viz., the third, fourth, and united joint stocks ; and from the apparent impracticability of adjusting their respective accounts, it could not be decided to whom, or in what proportion this sum ought to be divided.

Meanwhile Cromwell proposed to borrow the whole, until judgment were passed thereon by arbitrators chosen by the Council of State ; but the Directors, anxious to possess the money, or part of it, represented the different stocks to be 50,000*l.* in debt ; never-

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\* Mill, vol. i. p. 50—56.



theless, in gratitude to the Protector, they offered to lend him 50,000*l.*, provided the remainder of this money, or 35,000*l.*, “were as-  
 “signed to them *to pay their most pressing*  
*“ debts, and make a dividend to the proprie-*  
*“ tors.”\**

We have here again not only an acknowledgment of debt, but rather a suspicious declaration as to the real means of paying dividends to proprietors. But the whole history of their commerce, is, as we have seen, a continued series of embarrassment; whilst, in respect to territorial acquisitions, their earliest experience proved that the expense of maintaining these possessions exceeded the revenue which the population and territory could be made to yield,† and therefore fell as a dead charge on their commerce.

From these combined causes, the Company's affairs are often represented as on the verge of ruin. We read of debts having accumulated both at home and abroad; and though the amount must have been considerable, the sum total is nowhere accurately stated. Mill's researches on this head have only led to the following conclusion.

“Under the skill which the Directors have

\* Mill. vol. i. p. 52; and Bruce, vol. i. p. 503, 504.

† Mill, vol. i. p. 71.

“ all along displayed in suppressing such in-  
 “ formation as they wished not to appear, it  
 “ is often impossible to collect more than  
 “ gleanings of intelligence, respecting the  
 “ Company’s debts. At the present period  
 “ however (1685) they appear to have been  
 “ heavy and distressing. In 1676 it was as-  
 “ serted by their opponents in England that  
 “ their debts amounted to 600,000*l.*, and we  
 “ have already seen that in 1674 the debt of  
 “ Surat alone amounted to 135,000*l.* In  
 “ 1682-3 the Directors authorized the Agency  
 “ in Bengal to borrow 200,000*l.*, and in 1683-4  
 “ it is stated that the debt on the dead stock  
 “ at Bombay alone amounted to 300,000*l.*  
 “ *It seems highly probable that at this time*  
 “ *their debts exceeded their capital.*”

In the Company’s stock accounts, or balance-sheet, although there is always an imposing display of assets, at an arbitrary valuation, to counterbalance the amount of debt, and to give a colouring of prosperous solvency to the general aspect of their affairs, still accounts so constructed as to give any desired result at the pleasure of the framers, can have no claim to our confidence. With assets of uncertain value, the debt itself was a fixed amount, neither to be questioned, nor evaded. It was a claim requiring to be dis-

charged, whatever may have been its precise aggregate amount ; but apparently without available means for the purpose. Debt, indeed, was no more than the natural consequence of the difficulties and perplexities in which the Company's affairs were involved throughout the period reviewed. The fact is fully confirmed by the best authorities extant ; and though the actual sum of debt may be unknown, its character cannot be denied to have been, at this time, purely and exclusively commercial.

## CHAPTER II.

SUBJECT CONTINUED FROM 1711 TO 1765.

THE details given in the preceding chapter are intended to draw, from historical facts, the state of the Company's affairs from the earliest period ; the mode in which they were habitually carried on ; the circumstances by which they were chiefly affected ; and the natural result of joint stock operations conducted with the indifference, and disregard of economy, common to privileged bodies.

The period accordingly exhibits an almost uninterrupted series of fierce conflict with rivals ; feeble and insignificant commercial operations ; with vast outlays for the equipment of “ most warlike merchant ships ;” the maintenance of useless forts and factories ; severe and continued losses, as well from the open hostility of foreign enemies, as the competition of domestic *interlopers* ; together with bribes to men in power — the whole producing pecuniary embarrassment, frequently bordering on utter ruin, and the natural, if not inevitable, consequence, accumulation of debt.



Although the amount of debt is nowhere precisely stated in official returns before the public, we may yet rest assured that, even at this early period, it was no inconsiderable sum, when we revert to the various notices, and enumerations, of it in the preceding chapter; to the causes of its progressive increase; and to Mill's belief that it actually exceeded the amount of the Company's capital stock, which the act of parliament requiring them to confine their loans within this amount, seems in some degree to confirm.\*

1730. The Company however having procured an extension of their charter to 1733, with three years' grace, an association of merchants, in 1730, wishing to supplant the Company, proposed to H. M.'s Government to advance the 3,200,000*l.* due by them to the Company at four per cent till the 25th March 1733, and afterwards at two per cent, on obtaining a charter for thirty-one years. This project was defeated by the Company paying into the Exchequer 200,000*l.* as a free gift, and giving up 1 per cent of the interest payable on the abovementioned loan to Government; by which the Company's receipts on this account were reduced from 160,000*l.*, to 128,000*l.* per annum. Dividends

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\* *Vide page 445. supra*, and the Act there referred to.

to proprietors, which had been raised from 5 per cent. in 1708 to 10 per cent. in 1711, but had fallen to 8 per cent. from 1722 to 1732, were further reduced, in consequence of the preceding operations, to 7 per cent, and continued at that rate till Midsummer 1743, when they rose for twelve successive years, or till 1755, to 8 per cent.

In 1745, H. M.'s Government being in want of money to carry on the war in which they were then engaged with France and Spain, the Company advanced another million at 3 per cent. interest, in consideration of their charter being extended to 25 March, 1780, with three years' grace. The loan to Government was thus encreased to 4,200,000*l.*; and the interest on the whole sum being further reduced in 1750 to 3 per cent., the Company's loss of interest, on the two millions first advanced to Government in 1708 at 8 per cent., was a net 100,000*l.* per annum; whence dividends to proprietors again fell, and continued for eleven years, or from 1755 to 1766, at 6 per cent.

1745.

This sum of 4,200,000*l.* has been commonly, but erroneously, called the capital of the E. I. Company. Whilst tied up in the hands of Government it could not in any way have contributed to the commercial operations of the

1721. Company. We accordingly find that in 1721 by 7 Geo. 1. cap. 3. the Company were authorized to borrow money on their common seal to the amount of the sum lent by them to Government, if not exceeding on the whole five millions ; but *they were only permitted to borrow for the purposes of their trade.* They were expressly restricted from acting as bankers ; from borrowing sums payable on demand, or at a shorter date than six months ; from discounting bills ; or keeping books or cash for any person, sole, or corporate ; in short *from raising money for any other purpose than the real business of the Company.*

1744. At this time the loan to Government was only 3,200,000*l.* When increased in 1744-5 to 4,200,000*l.*, the Company were authorized to borrow another million on their bonds, by the 17 Geo. 2., in order to make good this additional loan to the public.\*

1749-50. To compensate for the reduction of interest to 3 per cent. on the above loan, the Company, it is recorded, was authorized to raise 2,992,440*l.* 5*s.*, by the sale of annuities, payable at the India House, amounting to 89,773*l.* 4*s.*† This, therefore, was a distinct sum from that usually termed their capital.

Whether the Company availed themselves, at

\* Mill, vol. ii. p. 18—31.

† Moreau, p. 5.

this time, of the privilege of borrowing to the full extent authorized by both acts, although probable, is not publicly stated ; neither have I any precise account of their bond debts at home, and abroad, prior to that contained in the second and third reports of the Committee of secrecy of 1772-3, and which will be noticed hereafter. Meanwhile it is clear, from preceding facts, that the Company must have traded throughout this period *on borrowed capital*. Their subscribed capital (if so it may be called) was in the hands of H. M.'s Government. The dividends to proprietors were annually paid on the amount of these subscriptions.\* So that their trade to be profitable must have yielded a sufficiency to pay not only their annual dividends, but *interest besides on their borrowed capital* ;† together with all other demands, losses, bad debts, &c.

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\* Owing to some deficiency, it is stated when the calls were made to make good the sums of 3,200,000*l.* agreed to be advanced on loan to Government, the capital on which dividends were declared stood at 3,163,200*l.* from 1708 to 1716, and afterwards at 3,194,800*l.* till the year 1787. It was then encreased to 4,000,000*l.* ; in 1789 to 5,000,000*l.* ; and in 1793 to 6,000,000*l.*

† This is a point that should be attended to by those who are disposed to admit, with the Company's advocates, that dividends are the only proper interest chargeable to the Company's commercial operations. It will be seen in the



Mr. Moreau has given a table of the Company's exports to India and China, from 1714 to 1760, compiled from official accounts, and of which the following is an extract up to the year 1733.

Trade from  
1714 to 1733

Average of		Years ending 29 Sept.	British Manufactures, Stores, &c.			Bullion			Total.		
			£	s.	d.	£	s.	d.	£	s.	d.
10 Yrs. ending in	1724		99,410	12	10	518,102	11	0	617,513	3	10
9 ditto in	1733		105,699	16	5	510,131	17	0	615,831	13	5

We have no account of the returns from India and China previous to 1761; but there is annexed to the third report of the Committee of Secrecy in 1773, an account of the Company's exports, including bills of exchange paid, from the year 1732-3, (the first, according to Mill, of their rendering regular accounts of their transactions) contrasted, not with the prime cost or value of the returns, but with the amount sales thereof in England, of which account the following is an abstract from 1732-3 to 1765-6 inclusive.

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sequel, that the interest received by the Company on their loan to the public fell greatly short of that which they had to pay for borrowed money. What it was before 1760 I know not; but after that time the interest received from Government was certainly not one half of that which the Company had to pay for borrowed money.

Amount paid for Goods, Stores and Bullion exported, and Bills of Exchange ; also, Amount of Sales (discount deducted), including Salt Petre to the Board of Ordnance, from 1st March, 1732, to 1st March, 1766.\*

Years.	Goods and Stores exported paid for.	Bullion exported paid for.	Bills of Exchange paid.	Total Exports and Bills of Exchange paid.	Amount of Sales.
Six Years. From 1732 to 1737, Average, per year..	£. 866,905 144,484	£. 2,820,839 470,139	£. 1,068,838 178,139	£. 4,756,583 792,763	£. 10,386,421 1,731,070
Ten Years. From 1738 to 1748, Average, per year..	1,795,660 179,566	5,228,338 522,833	1,990,763 199,076	9,014,762 901,476	18,062,970 1,806,297
Ten Years. From 1748 to 1758, Average, per year..	2,767,309 276,730	7,670,579 767,057	1,644,834 164,483	12,082,723 1,208,272	21,434,595 2,143,459
Eight Years. From 1758 to 1766, Average, per year..	3,249,748 406,218	1,157,905 144,738	3,504,104 438,013	7,911,757 988,969	18,027,134 2,253,391

\* A similar table to this is given by Bruce, in his Historical View of Plans, &c. for British India. The divisions of the period in each are not precisely the same ; but as far as the two tables admit of comparison, they seem to be compiled from the same documents. Mr. Bruce subjoins to his table the following remark : “ The largest quantity of bullion exported in one year was in 1753, when the amount of 667,923*l.* was sent to India, and 276,333*l.* to China. making 944,256*l.* The largest average is from 1747 to 1757, being 767,057*l.*, of which 564,423*l.* was sent to India, and 202,634*l.* to China. *The Company's conquests in India at this juncture rendered it unnecessary to continue the export of bullion thither, and accordingly of the average amount, 121,287*l.* from 1757 to 1767*l.*, 97,074*l.* was sent to China, and the remainder to Bencoolen, St. Helena, &c.*—Plans for British India, page 295.

This is the best account that can be given, from records now in print, of the state of the Company's trade for the period contained in this chapter. It will shew that their trade was chiefly carried on at this time by means of bullion and bills of exchange. The goods and stores are of trifling amount. In the latter part of this period, the goods and stores, it will be perceived, increased; but Mill assures us\* that the greater part of this increase consists of stores and other military apparatus, for the supply of forts, and to maintain the struggles in which the Company were engaged, as well in Bengal as the Carnatic.

It will also be seen in the preceding statement, that the supply of bullion to India and China fell off considerably after the year 1757-8; whence it may be inferred that, as the Company now began to acquire territory in India,† and were amply repaid by native

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\* Mill, vol. ii. p. 29.

† The 24 Purgunnahs, a district adjoining Calcutta on the east side of the Hoogley, and comprehending about 882 square miles, was ceded to the Company in 1757, and the provinces of Burdwan, Chittagong, and Midnapore in 1760, the net revenues of which, according to Verelst (p. 72—74), were at this time 5,581,196 Rs., or, at 2s. 3d. per Rupee, 627,884*l*.

princes (as will appear presently) for war expences, a considerable portion of the homeward cargoes, or investments, may be presumed to have been furnished from the local resources of India ; for, to judge by the column of sales in the latter period of the preceding table, the returns from India would seem to have been much increased after 1758, although the exports to India on commercial account are shewn to have greatly diminished.

The account, however, as it stands in the Third Report, is intended by giving, not the prime cost, but the sale proceeds, of the returns, to exhibit a dazzling view of profits realized in the Company's trade ; but from these profits the Company had to pay in England customs, freight and demurrage, charges of merchandize, re-exports of goods stores and bullion to India (all weighty sums as exhibited in subsequent accounts), with other miscellaneous payments ; besides interest, at 3 and 4 per cent. on the borrowed capital, or fixed home debt, amounting in 1765 to 205,577*l.* per annum ;\* together with dividends to proprietors at various rates, but which averaged from 1708 to 1766, 219,238*l.* per annum.† These profits, therefore, however dazzling at first view,

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\* Third Report, Committee of Secrecy, 1773.

† Vide Moreau's Tables.



must have been wholly absorbed by the large payments here adverted to ; nay more, they could not have sufficed for the payments in question, as the Company's home debts had considerably increased during the period, and amounted at its close (with the addition of a floating debt, but which also bore interest) to a sum total of 8,177,247*l*.

One of the greatest injuries sustained by the Company in the prosecution of their trade, and that which always excited their greatest alarm, was the intrusion of "*Interlopers*." From the earliest period have they ever regarded free trade as their most fatal and destructive enemy. Although so late as 1691, under the powers of admiralty jurisdiction vested in the Company, *Interlopers*, found in India, were ordered to be seized, tried, and condemned to death ; and though sundry acts had been passed prohibiting their resort to places within the limits of the Company's exclusive privilege,\* they were still found, in and about 1716, to abound in various parts, through the medium of foreign agents, or under commission from foreign governments. In 1718 another act was therefore passed† authorizing the Company to seize all such competitors and send them to England ; the offenders being

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\* *Vide supra*, p. 439, and Mill, vol. ii. p. 70. 76.

† 5 Geo. 1. cap. 21.

also subject to a penalty of 500*l.* for each offence.

About this time a new company, called the Ostend Company, had embarked in the India trade under the usual dreams of inundating returns of wealth. Government were accordingly assailed, on this event, with renewed terrors, and complaints, by the British E. I. Company, who asserted that the Ostend Company, though chartered by the emperor, was chiefly supported by British capital and adventurers. They accordingly procured another act in 1721, enforcing former penalties : but as this failed of success, a third act was passed in 1723, prohibiting foreign adventures to India under the penalty of triple the sum embarked, declaring all British subjects found in India, and not in the service, or under the license of the E. I. Company, guilty of a high misdemeanor, and empowering the Company to seize and send them home for punishment.\*

The Ostend Company, though very successful for a time, was abolished by the Emperor in 1727, to obtain the concurrence of France, England and Holland, to the Pragmatic sanction ; but the agonies, and struggles, of both the Dutch and English E. I.

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\* 7 Geo. 1. c. 21 ; 9 Geo. 1. c. 26.

Companies, sufficiently indicate the loss and damage they were exposed to during the term of its existence; and how much successful competition always subtracted from the scale of their apparent, or computed, profits.

1715. Previous to this last occurrence, or in 1715 an embassy had been dispatched with costly presents to the Court of Feroksere, the Mogul Emperor; where, after a residence of two years, and continued bribes to men of influence, and in power, this embassy at length obtained in 1717, the objects of its mission; which were, “that the cargoes of English  
 “ ships wrecked on the Mogul’s coast should  
 “ be protected from plunder, that a fixed sum  
 “ should be received at Surat in lieu of all  
 “ duties; that three villages, contiguous to  
 “ Madras, which had been granted, and again  
 “ resumed, by the government of Arcot,  
 “ should be restored in perpetuity; that the  
 “ Island of Diu, near the port of Masulipa-  
 “ tam, should be given to the Company for  
 “ an annual rent; that all persons in Bengal,  
 “ who might be indebted to the Company,  
 “ should be delivered up to the Presidency on  
 “ the first demand; that a passport (*dustuck*)  
 “ signed by the President of Calcutta should  
 “ exempt the goods which it specified from  
 “ stoppage, or examination, by the officers of  
 “ the Bengal government; and that the Com-

“ pany should be permitted to purchase the  
 “ Zemindarship of thirty-seven towns, in the  
 “ same manner as they had been authorized  
 “ by Azeem Ooshaun (in 1698) to purchase  
 “ Calcutta, Suttannutty, and Govindpore.”\*

1718.

The Mogul Emperor's orders on these heads had full effect in Guzerat, and Deccan; but the Subahdar of Bengal (Jaffier Khan) successfully opposed the proposed purchase of thirty-seven towns on the Hoogley. The President's *dustucks* were allowed to have effect, as regarded the export trade; but the Company's servants in Bengal now, as in times past, having a trade of their own to carry on, independent of that of their masters, whose interests were very naturally sacrificed when those of the local agents were to be promoted, claimed and exercised the privilege of the *dustuck* to favour their own internal traffic; but as so unreasonable and unjust a privilege, in favour of one set of merchants, was obviously calculated to ruin the inland commerce of the country, the use of the *dustuck* was so far prohibited. In subsequent years however it was resumed, and exercised not only by the English themselves, but by every Englishman's native agent throughout the country; and led to those disgraceful scenes, about the middle of last century,

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\* Mill, vol. ii. p. 20.



which have left an everlasting stain on the British name in Bengal.

Meanwhile the Company's trade proceeded in the usual course, with little variation as to amount of homeward investments, and experiencing much the same difficulties and obstructions from "*Interlopers*" and rival companies.

The French had now become their most formidable rivals. They had long been in possession of the Isles of France and Bourbon. Pondicherry was also an ancient possession. It had been taken from them by the Dutch in 1693; who fortified the place; but restored it again in 1697 at the peace of Ryswick. Pondicherry had three factories subordinate to it on the continent of India; Mahé on the Malabar Coast; Karical on the Coromandel coast; and Chandernagore on the Hoogley; and constituted a separate government from that of the Islands. The celebrated Labourdonais was appointed Governor of the French Islands in 1734; and contributed greatly to their improvement. He returned to France in 1740; and conceived the project of overthrowing the British trade in India, on the breaking out of hostilities then expected, and which actually took place in 1746, between France and England. Labourdonais was accordingly reappointed Governor of the Islands; and having prepared

a force for the purpose, appeared before Madras on the 14th September 1746, which capitulated after a bombardment of five days ; Labourdonais pledging himself to restore the place for a moderate ransom. Private property was accordingly duly and honorably protected ; but the magazines and warehouses of the Company, as public property, were taken possession of by the French Commissioners.\*

Madras, at this time, had been the Company's principal settlement on the coast of Coromandel for a century ; and was encompassed on the land side by a territory five miles long, and about one broad. Being the principal depot of the Company's trade in those parts, the loss of property on this occasion must have been great ; for Dupleix, the Governor of Pondicherry, and jealous rival of the honest Labourdonais, after menacing and entreating in vain, succeeded at length, by intrigue, to resist the restoration of Madras ; ordered the treaty of ransom to be annulled ; and every article of property in the place to be seized, save the clothes of the wearers, women's jewels, and moveable furniture in houses—orders which, Mill observes, were executed with avaricious exactness.†

War now continued with various success, and corresponding expence, between the

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\* Mill, vol. ii. p. 33.

† Mill, vol. ii. p. 45.

1748. English and French Companies on the coast of Coromandel until the year 1748 ; when the treaty of Aix la Capelle terminated the war in Europe, and restored Madras to the English. Nothing of importance had occurred at the other Presidencies ; the Subahdar of Bengal having prohibited the French and English from carrying on warfare in his dominions. For the protection thus bestowed he demanded contributions from both parties. That exacted from the English is stated to be 100,000*l*.\*

The French and English settlements being furnished with more troops, during the war, than was necessary for their defence in peace, both parties assumed a new character ; and quitting the humility and submission of mere traders, now turned their thoughts to higher deeds. The ambition of Dupleix was unbounded ; and intriguing deeply with the native Princes, he had already conceived the project of establishing a French empire in the east, and of driving the English from all their possessions. The English East India Company were not far behind him in schemes of aggrandisement. As early as 1698, the directors in England had instructed their servants abroad in the following terms : “ The increase  
“ of our revenue, is the subject of our care as

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\* Mill, vol. ii. p. 50.

“much as our trade; ’tis that must maintain  
 “our force, when twenty accidents may inter-  
 “rupt our trade; ’tis that must make us a na-  
 “tion in India; without that, *we are but as a*  
 “*great number of interlopers, united by his*  
 “*Majesty’s royal charter, fit only to trade where*  
 “*nobody of power thinks it their interest to*  
 “*prevent us*; and upon this account it is that  
 “the wise Dutch, in all their general advices  
 “which we have seen, write ten paragraphs  
 “concerning their government, their civil and  
 “military policy, warfare, and the increase of  
 “their revenue, for one paragraph they write  
 “concerning trade.”\* With these sentiments  
 and views on both sides, with the most ran-  
 corous jealousy of each other, as commercial  
 rivals, and with forces at their command  
 inviting them to acts of arrogance, injus-  
 tice, and hostile aggression; the English and  
 French Companies, soon after the peace of  
 Aix la Chapelle, became involved in struggles  
 on the continent of India; which, though  
 avowedly maintained to support native Princes  
 on either side, with whom alliances had been  
 formed, were still, in reality, struggles for  
 their own existence; the aim of each Com-  
 pany being to crush the other, so as thereby  
 to secure the entire monopoly of the Indian  
 trade.

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\* Mill, vol. i. p. 74.



The detail of these wars is of course foreign to the object of this publication. I shall only notice briefly, their character, and their effect, as far as it can be traced on the Company's finances.\*

1748      The Carnatic war commenced in a contest  
to  
1756.      for establishing Mahomed Ali, as Nabob of the province, in opposition to Chunda Saheb, a pretender to the Nabobship, under the auspices of Mirzapha Jung, who aspired, on the death of Nizam al Mulk, to the Subahdary of Deccan ; the English siding with Mahomed Ali, the French with the opposite party. This war continued, throughout the period here reviewed, with various success, but rancorous animosity, on both sides. From 1748 to 1756, there was peace in Europe between France and England ; but the wars of the hostile Companies raged uninterruptedly in India. A short truce occurred on the removal of Dupleix from India, in 1754 ; but was almost immediately broken by the English proceeding to reduce Madura and Tinnevely, to the obedience of their Nabob ; and the seven years' war in Europe breaking out in 1756, hostilities were renewed on a lar-

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\* The first exploit of the English in 1749 was against Tanjore, where they took the fort of Devicotah, which was afterwards ceded to them by the Raja, with an adjoining territory, yielding in revenue 9000 Pags. per annum.

ger scale in the Carnatic, on the arrival of Lally, in 1758; and continued till the taking of Pondicherry, by Col. Coote, in 1761, and the expulsion of the French from the continent of India. In 1763, the treaty of Paris was signed, which terminated the seven years' war; but the Company's interposition, and forces being still requisite to regulate affairs in Tanjore, Madura, and Tinnevelly, military operations were continued in those parts throughout the remainder of the period. 1758.

Meanwhile, the Company's affairs in Bengal proceeded peaceably, and without any occurrence of importance, until the year 1756; when the conduct of the Company's servants having given offence, and justly, to the Subahdar, Suraja Dowla, he marched an army to Calcutta, took it by assault, and consigned all the Europeans, who had not effected their escape, to the miseries of the "black hole." 1756.

Upon this calamitous occurrence being known at Madras, now the Company's principal settlement on the eastern side of India; Col. Clive and Admiral Watson were dispatched to the Hoogley, and early in the following year retook Calcutta, with other places; and on the 9th of February 1757, concluded a treaty with the Subahdar; by which he agreed to restore to the Company all their factories, and former privileges, and to make

compensation for such of the plundered effects as had been brought to account in the books of his government.\*

1757      During the course of these hostilities, as  
to  
1765.      well as those in the Carnatic, the French in Bengal had preserved a strict neutrality ; which accorded also with the wishes and policy of the Subahdar ; but Clive, after his last success, wishing to possess himself of the French settlements, and proceeding to accomplish it, in defiance of the Subahdar's authority, and of an express treaty with the French themselves, fresh disputes occurred, which led to a renewal of war with Suraja Dowla ; to the famous battle of Plassy ; the dethronement of Suraja Dowla ; the elevation of Meer Jaffier to the Subahdary ; his deposition in 1760, and the elevation of Meer Cossim ; the deposition of Cossim, and restoration of Jaffier in 1763 ; his death in 1765, and the permitted accession of his son, Nudjeem ud Dowla ; who, immediately afterwards, was made to concur in his own degradation, and to accede to the grant, by the Mogul Emperor Shah Allum, of the Dewanny of Bengal, Bahar and Orissa, to the Company ; which erected them into virtual sovereigns of these most valuable and fertile territories.†

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\* Mill, vol. ii. p. 106.

† *Vide Vol. I. p. 333.*

The military and diplomatic transactions of this period being foreign to the present publication, I need only refer to existing histories for the details of this important event, and the disgraceful scenes, scandalous exactions, and treacherous conduct, through which it was effected. Our present concern lies rather with the character of these wars, the expenses they entailed on the Company's finances, and how far they may have contributed to the burden of debt.

From the earliest period of the Company's trading to India, we have already seen that they had to fight for the support, and even existence, of their monopoly. This expense, incurred for the first century in uninterrupted hostility, first with the Portuguese, and afterwards with the Dutch, was as much appendant on their trade as the freight of their ships, or the support of their commercial factories. Until the year 1765, the Company had no pretensions to a political character in the east. After the French had established themselves on the continent of India, their contests with the latter were of the same character, or scarcely differed from Portuguese or Dutch hostility, except that the Company's contests with French rivals were for the most part land operations, while the former were chiefly maritime. When Dupleix intrigued with native



princes, for the avowed object of annihilating the English trade and possessions in India, it was natural for the English to court the alliance of other powers, to aid in the struggle for their commercial existence. In this way native powers, having also their own objects in view, were engaged in these contests on both sides; but as regards the French and English East India Companies, so completely were they considered as the mere squabbles of commercial rivals, that they were suffered to be carried on in India, without objection for a course of years, during which, the two governments in Europe were in profound peace.

As to the expense of these wars, however the Company may now pretend to assert, and to maintain in evidence, that the charge was defrayed out of commercial funds, the fact is not so, and should be fairly stated.

When Mahomed Ali was installed, without a rival, Nabob of the Carnatic, the whole kingdom (for it was now in reality a sovereignty quite independent of the fallen power of the Mogul), as well as the Nabob himself, became subject to the absolute will of the Company, and their local servants. The latter, like all Europeans in these days, fancied the wealth of India, and of course of all its provinces, inexhaustible—an impression which tended neither to moderate their expectations, nor their

demands of compensation for the services they had rendered. Exactions were accordingly only limited by what power and artifice united were unable to enforce—independent of the contributions levied by armies in the different provinces through which they passed. At the close of the war, or rather before the surrender of Pondicherry, the Nabob voluntarily engaged to pay, from the revenues of the country, for the expenses of the war, Rs.2,800,000, (315,000*l.*) annually, until the debts thereby incurred should be discharged; and Rs.300,000(37,750*l.*) annually, to defray the expense of the garrison at Trichinopoly. Shortly after, the president and council at Madras peremptorily demanded of the Nabob, Rs.5,000,000 (562,500*l.*), which, for want of means, he was obliged to raise by loan on disadvantageous terms. He was next required to pay all the expenses of the siege of Pondicherry; to which he agreed, on being allowed the stores taken in the place. When it fell, the stores were nevertheless appropriated by the Company's servants; who said they would allow him a certain sum for the same in account; but the Directors, objected to the allowance; the sum was written back, and the Company's servants remained in possession of the stores. The Raja of Tanjore having agreed by treaty to pay the Nabob Rs.2,200,000 (247,500*l.*), as arrears of tri-

bute; four lacs, or 45,000*l.* as a present, and 45,000*l.* more annually as a tribute, the former sum was ordered to be paid to the Company, and credit given to the Nabob in account; the Company at the same time conceiving that they ought properly to have received the present, for their interposition and guarantee of the treaty. The Company next obtained from the Nabob, the province called the Jaghire;\* afterwards other districts; finally, the revenues of the whole Carnatic passed into their hands; and when the Nabob, fearing there would be no end to the Company's exactions, wished the same to be included in a binding agreement, and forwarded a draft for the purpose to the governor; it was angrily returned by the latter, who informed the Nabob, that it ill became him to make conditions with the Company; adding, "they do not take any thing from you, for "they are the givers, and you are a receiver."†

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\* Vide *Vol. I. p. 418*. The grant of the Jaghire to the Company will be found in App. 9, Fourth Rep. Com. of Secrecy in 1782, p. 692, with a schedule of the revenues annexed, amounting to 442,881 *Pags.*, or 177,152*l.* Besides which, it appears from App. 8 of the same Report, that the Nabob contributed annually 800,000 *Pags.*, or 320,000*l.*, to the general expences of the Madras government, of which 600,000 *Pags.*, or 240,000*l.*, were on an average applied to the provision of investments.

† Mill, vol. ii. p. 230.

In further corroboration of these payments by the Nabob, Mr. Moreau (p. 6.) quotes a document from the auditor's office at the India house, dated in 1774; in which it appears that there was received from the Nabob of Arcot, for his share of war expenses in the Carnatic, 1,900,000*l*.

In a schedule of the third report of a committee of the House of Commons on East India affairs, in 1773, (vol. iii. p. 311); it appears that, pending the lively process of making and unmaking Subahdars in Bengal, the Company received in restitution for losses, damages, and expenses incurred during the period, no less a sum than 3,770,883*l*., exclusive of enormous and most disgraceful presents to individuals.

On the authority of Mr. Moreau, it may be likewise added that, in 1761 to 1763, the Company had received further sums (amount not stated), for military expenses in India, from his Majesty's government in this country.\*

Admitting therefore that the expense of these contests was supplied in the first instance from commercial funds or loans — and the Company had clearly at this time no other source of supply—still these restitutions, and the annual contributions from the Carnatic,

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\* Moreau, p. 5.



must have gone far to lighten, if not entirely to liquidate, the cost of the Company's military operations. The latter indeed is the more probable supposition, if we consider the mere handful of troops employed in these struggles; and of which the cost must necessarily have been trifling, compared with that of European, or more modern Indian warfare.\*

An attempt was made in 1830, to prove in evidence before the select committee of the House of Commons, then sitting, "*that the debt of India had its origin entirely in territorial causes;*" it being of importance, it was added, "that the committee should also see "that the Company's commercial capital "rested on a solid basis."† However high the authority from which this explanation proceeds, I feel bound to declare that the attempt is a complete failure.

The explanation is founded on three accounts, which are referred to as having been submitted to Parliament in 1781, by a committee of East India proprietors, to shew

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\* At the celebrated and decisive battle of Plassey our army consisted of only 650 Europeans, 2100 Sepoys, and 150 artillery, of whom 50 were sailors landed from the men-of-war. On other occasions our armies have only consisted of 300 and 400 Europeans, with a proportion of native troops.

† Minutes of Evidence, 7th June, 1830, Answer 5671.

that the charge incurred by the Company in the wars which preceded the acquisition of the Dewannee, *in excess* of the *sums afterwards derived from the territorial revenues*, amounted, exclusive of interest, to 3,616,000*l.*; and that if a similar separation of territorial and commercial accounts to that adopted in 1816 had then existed, this sum would have been debited to territory, as a supply from commercial funds. Now the accounts referred to prove no such thing. They are inconclusive productions at best. An “approximative result” is all that is pretended to be obtained from them.\* On inspection, all that they exhibit — and this in a very imperfect, if not delusive, state — is, that from the year 1730 to 1745, being fifteen years, the supplies to, and returns from, India, nearly balanced; but from 1749 to 1764, another fifteen years, the supplies to India exceeded the return cargoes from India, in the sum of 5,069,684*l.*; which sum is therefore *alleged* to have been expended in war charges; but it is a mere allegation or supposition, for not the slightest proof is adduced of the fact. To these two

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\* These accounts are *merely referred to* in Mr. Melville's Evidence of June, 1830. They were afterwards procured and delivered in to the Select Committee in July, 1831 by Mr. Langton.

accounts is appended a third, to shew that, in fourteen years subsequent to the acquisition of the Dewanny, or from 1764-5 to 1778-9, territory had supplied commerce with a surplus of 3,622,969*l*. If, then, this sum be deducted from the other, it will only leave 1,446,715*l*., as the excess of supply from commerce to territory, instead of 3,616,000*l*., as stated in evidence. How the latter sum is made up, is not explained.\* As those three

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\* In Bruce's *Historical View of Plans, &c. for British India*, the following explanation is given of this most extraordinary claim : — " In Mr. Smith's (chairman) account, formed in 1781, he says, that in fourteen years, from 1766 to 1780, the sum contributed out of the revenues for the purchase of investments amounted to 3,622,969*l*., of which 2,169,400*l*. was paid into the exchequer on the agreement of 1767, leaving to the Company 1,453,569*l*. Against this was placed 5,069,684*l*., expended by the Company in the fifteen years' war from 1750 to 1765, so that in 1780 the revenues of India stood debtor to the trade 3,616,215*l*.' In a subsequent chapter Mr. Bruce again brings forward this claim as " an additional reason for continuing the present union between the trade and the revenues, and for granting the Company such terms as shall enable them to discharge the debts which they have contracted in defence of the Indian provinces, and of their trade, and to realize the value of their stock."—Bruce, chap. ii. p. 202, and chap. iii. p. 327.

If commerce had really sustained the heavy loss abovementioned from its union with territory, it seems an odd reason for desiring its continuance, and for expecting to be able to discharge

accounts are important, and tend moreover to prove on what imperfect data the Company's commercial statements are, even in modern times, founded, I have annexed them, under A, B, and C, as an appendix to this chapter.

But it is not a little remarkable that accounts, so vague and imperfect as these, should be recurred to for so important an explanation, when others of an unexceptionable character, and better authenticated, were at hand to establish the facts of the case. As this explanation has been refuted in a subsequent evidence given to the committee of the House of Commons, by Mr. Langton, in July, 1831,\* it would be superfluous to reiterate his analysis. I shall, therefore, content myself with observing—as these are merely statements of goods exported to India, and goods returned to England—that if charges are added on the one side, they ought equally to be added on the other. In this case, the goods exported have 10 per

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debts by the very connexion which had caused their being ntracted. It is also to be remarked, that the 2,169,399*l.* abovementioned, as paid into the exchequer, is all that the public received in pursuance of the agreement noticed in the next *Chap. p. 506*, to pay government 400,000*l.* per annum, in confirmation of the Dewanny grant.

\* *Vide* Min. of Evid., 21 July, 1831. Answ. 2861.



cent. added to the invoices for charges; whilst a large portion at least of the commercial charges, paid in India, are obviously omitted on the other.

Again, the cost of *all* the goods *exported from England* are debited in these accounts as against India, without any deduction for what may have been lost on the outward voyage, and which, therefore, *was not* a supply from commerce to territory. In forty-four years, the period contained in these accounts, the sea losses must have amounted to a considerable sum.

Again, although the cost of *all* the goods exported from England are debited in these accounts, we have only on the credit side the cost of such returns furnished by India *as were actually received or realized in England*. Whatever was lost (and much must have been lost in so long a period) on the voyages home, although an actual territorial supply, is also omitted.

Of the commercial charges, *paid in India*, and not added to invoices, we have no precise statements. In the accounts A and B, the sum of 121,229*l.* per annum is credited as the net charge for "the maintenance of the Company's settlements in India," which, previous to the Dewanny grant, was necessarily disbursed out of commercial funds, and which

we may therefore assume as what in other accounts are denominated commercial charges not added to invoices. After the Dewanny grant, these charges were defrayed from territorial revenue; and taking them all at the same amount, or 121,229*l.* per annum for the next fourteen years (in which no credit is given for these charges), we have £1,697,200 which ought unquestionably to be

added to the credit side of account C.

We have no means of stating the losses on the outward voyages; but as regards homeward voyages, it is stated by Moreau (Tables, p. 24.) that the losses actually amounted in fifty-one years, or from 1761 to 1811, to 1,958,076*l.*, averaging, therefore, 38,393*l.* per annum. Now if we take this average for the forty-four years of the accounts A, B, and C, we have, as the sum of losses, which ought also to be credited,

1,689,292

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Total credits . 3,386,492

and which, added to the admitted

surplus in C of . . . 3,622,969

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£7,900,461

would thus far more than clear off the alleged balance stated in these accounts as a debt from territory to commerce ; independent of the large sum, which ought also to be credited (could we get at the amount), for losses on the outward voyages. So much for the boasted proofs deduced from these accounts.

But besides all this, we are not shewn how this £5,069,684, or whatever the real balance might be, was applied. It is only presumed to have been applied to war charges, but it is much more reasonable to conclude that this sum was, as in a similar case recorded in 1624, (*vide Chap. I. p. 424-5.*) “detained in India “to defend the Company’s property,” that is, for protection against the wiles, or violence, of their rivals the French and Dutch ; or, as stated in the account itself, “for the support of “the Company’s settlements.” At all events, in whatever way it was expended, and whatever may have been its real amount, it was a commercial expenditure *as regards the English Company, or their contests with the French Company* ; for they had at this time no other character ; and in as far as it may have been expended to support the wars of allied native princes, it was more than repaid in the

exactions levied upon those princes on the termination of each war.\*

On the whole, therefore, I can only repeat, that accounts so vaguely framed, and which in fact prove nothing, ought not to have been recurred to as the basis of so important an explanation. Even on the principle assumed, viz. of a supposed separation of accounts, as prescribed by the act of 1813, a loose estimate of cargoes on both sides, such as exhibited in these accounts, would lead to no satisfactory conclusion. Before commerce could be in funds to furnish supplies, as asserted, to territory, it would require to be shewn that a balance in favour remained, after defraying all the charges of her own concern, such as interest, dividends, commercial establishments, buildings, losses, &c. A fair and true account, as between territory and commerce, should also set forth the actual advances made to commerce in India from the territorial revenues, not merely for the purchase of cargoes, but to defray various charges and establishments — in other words, the surplus revenue, and mo-

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\* There is strong reason to suspect that these restitutions were sufficient, not only to replace war expences, but even at that time to supply commerce with funds for the encrease of investments.— *Vide supra*, p. 465, to 467.



nies raised on loan, which loans, on the supposition of a surplus revenue, could only have been required for commercial purposes, and therefore erroneously charged to territory. Now, Mr. Verelst shews, in his publication, p. 81, that the revenues of Bengal supplied commerce with nearly five millions sterling, in *five years* after the Dewanny Grant; and this is corroborated by several official statements annexed to the reports of the secret, and select, committees of the House of Commons in 1773 and 1782-3. In two of these statements in particular, the revenues and charges are carried down to 1778-9, or fourteen years subsequent to the Dewanny Grant; and from these it will appear, that the surplus revenue of India, of this period, all of which commerce absorbed, was 11,320,945*l.*, or more than three times the amount stated in the evidence here alluded to, to be at this time due from the territorial to the commercial concern.

If, therefore, we were to concede the position (which, however, is not admitted), that commerce had supplied territory in the first instance with either the 5,069,684*l.*, or the 3,616,000*l.* above-mentioned, it would manifestly be a preposterous and arbitrary act, again to charge territory with this supply, as

a debt to commerce, after it had been thus more than doubly or trebly repaid.\* At all events, with a surplus revenue of 11,320,945*l.*, after paying every description of territorial charge, and an encrease to the Indian debt

\* The account from which I have extracted the sum of surplus revenue stated in the text of 11,320,945*l.*, will be found in the third Rep. vol. iv. p. 60—64, and sixth Rep. vol. 8. p. 362—367. These are general accounts of receipts and disbursements at the different Presidences in India, signed and certified by the “auditors of Indian accounts.” On inspection of these accounts it will be seen, that the three first columns of receipts, and the four first columns of disbursements, are the only ones which attach to territory. The rest are wholly commercial. Comparing, therefore, the receipts with the disbursements, the following will be found to be the result.

From 1765—1770:

Bengal surplus .....	£4,598,126
Madras do.....	77,600
	<hr/>
	4,675,726
Bombay deficit .....	1,293,862
	<hr/>

Net surplus..... £3,381,864

From 1771—1778 :

Bengal surplus .....	£9,752,039
Madras do. ....	447,091
	<hr/>
	10,199,130
Bombay deficit .....	2,260,049
	<hr/>

Net surplus ..... 7,939,081

Total net surplus in 14 years.. 11,320,945

These accounts will be further noticed in a subsequent chapter (*vide p.559*).

within the same period of about one million sterling, if 3,622,969*l.* is all that territory could afford to supply to commerce in the fourteen years in question, it behoves the Company to explain at least how the remainder, both of the surplus, and loan, was disposed of.

In the appendices, one to ten of the third report of the Committee of Secrecy in 1773, we have statements of the Company's debts at home and abroad, from 1762 to 1772.

In 1765-6, the sum of debt will be found to consist of the following items, viz.

Annuity debt ( <i>vide p. 462.</i> )	£2,992,440	5	0
Bond debt, at 4 per cent. . . .	2,895,107	10	0
Floating debt (various rates of interest) . . . . .	2,289,699	16	6

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Total Home debt	8,177,247	11	6
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Add

Bond debt abroad at Bengal

and Madras, 30th April, 1766	756,680	0	0
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Total . . .	£8,933,927	11	6
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exclusive of the Company's capital stock.

Of the home floating debt above-mentioned, it may be well to explain, that it is not an extraordinary, or even casual, amount. It consists of sums due for customs, freight and demurrage, goods and stores, bullion, bills of exchange accepted, loans from the bank,

payments due to government, and other arrears, but all bearing interest of 3 or 4, and from 12 to 15 per cent. A floating debt of nearly the same amount runs through every year of this period, with little variation.

It amounted in 1762, to	.	£2,155,492	9	1
and in 1772, to	.	3,953,339	1	6

But of the two fixed sums of debt above-mentioned, viz. the annuity debt, and the bond debt, it will be recollected, that they were raised in pursuance of the Act 7 Geo. 1. c. 3. (*vide p. 462.*); that they were then expressly limited by law to be *for the aid and use of the Company's commerce, and for that only*; and that ever since that period, up to 1765, they had in part, or in whole, served as the Company's trading capital. There can be no question, then, as to the Company's debts, up to this time, being purely commercial; whilst, if it can be proved, on better evidence than that hitherto adduced, that advances had really been made by commerce to territory, previous to 1765, the balance of account between the two branches will depend on a fair adjustment of supplies and repayments on both sides, subsequent to 1765, for which, important facts and materials will be found in the two following chapters.



## (A)

A Statement of the cost of the Goods and Stores exported from England, on the Directors from abroad, and of the Profits arising from the contrasted with the Invoice cost of the returning Cargoes for the above Sums disbursed from hence, at a period prior to any of those East India Company's concerns in India were confined solely to

From Sept. 1730 to Sept. 1745. 15 years.	To the cost in England of the goods, stores, and bullion <i>exported to India and China</i> , the amount paid for bills of exchange drawn on the Directors, and the charges paid for raising recruits, &c. in the course of the fifteen years, together with the profit (amounting to about 850,000 <i>l.</i> ) arising from the sale of Europe goods and stores abroad .....	£13,152,968
		<hr/> £13,152,968 <hr/>

of the Military Charges, &c. paid at home, of the Bills of Exchange drawn sale of Europe Goods and Stores in India and China, from 1730 to 1745, corresponding years, in order to shew what the returns fell short of the disputes, or disturbances, in India with the native Princes, and when the commerce.

From March 1732 to March 1747. 15 years.	By the amount of investments <i>imported into England from India and China</i> in the fifteen years, reckoning from the arrivals in 1732 down to those that came home in 1746; these, according to the invoices, came to .....	£11,334,528
	By balance, being the amount which India and China returned to England short of the sums furnished and disbursed by England for the support of the several Settlements, including the profits on the outward trade, amounting to....,.....	1,818,440
		<hr/> £13,152,968 <hr/>
<p><i>Note.</i> — The 1,818,440<i>l.</i>, the balance above, shews the amount expended in the space of fifteen years, for the maintenance of the Company's settlements in India, more than the revenues collected in the several presidencies produced during that term; equal, on the general average, to 121,229<i>l.</i> a year.</p>		

(B)

A STATEMENT made to show the Sums expended in India, from the Trade, in the space of Fifteen Years, from 1751 to 1766, to support the demands of those Fifteen Years' warfare, with the Sums expended commercial.

From Sept. 1749, to Sept. 1764, 15 Years.	<p>To the cost in England of the goods, stores and bullion <i>sent to India and China</i>, the amount paid for bills of exchange drawn on the Directors, and the expenses incurred for raising and transporting troops, and some other disbursements not relating to commerce. These several articles, including the profit, amounting to about 1,500,000<i>l.</i>, arising from the sale of Europe goods and stores abroad, came to, in fifteen years ....</p>	£19,051,071
		<hr/> <p>£19,051,071</p> <hr/>
	<p>The average amount of the expences incurred in the fifteen from the Treasury in England, and from the profits of for the fifteen years, to .....</p> <p>From whence, deducting 121,229<i>l.</i> for each year, being the its Outward Trade, which, for the fifteen years, came to</p>	
	<p>Which remainder shows the amount expended to carry on the territorial acquisitions were acquired, and that sum, to be reimbursed to the proprietors, before any claim</p>	

Treasury in England, and from the Profits arising from the Outward the War carried on in India, against the Native Princes, by comparing in the above Fifteen Years, when the Company's concerns were merely

From March 1751, to March 1766, 15 Years.	By the amount <i>returned to England</i> from India and China in goods, in the space of fifteen years, reckoning from the cargoes <i>which arrived in 1751</i> , to those <i>which arrived in 1765</i> , inclusive; these several investments were invoiced at ..... 12,043,745	
	Add to this the sums paid in different years by government in lieu of forces withdrawn from India ..... 119,202	12,162,947
	By balance, being the amount which India and China <i>returned to England</i> , short of the sums furnished and disbursed by England for the support of the several Settlements, including the profit arising from the sale of Europe goods and stores abroad, came to, for the fifteen years .....	6,888,124
		<u>£19,051,071</u>

years, more than the amount of the revenues, and taken the Outward Trade, came to 459,000 <i>l.</i> for each year, equal .....	6,888,124
annual amount of the commercial drain on England, and .....	1,888,440
	<u>The Remainder £5,069,684</u>

the wars against the Native Princes, and from the success of which wars having been evidently supplied from the credit of the trade, ought surely of participation had been admitted on the part of the state.



(C)

## A STATEMENT to shew the Amount realized in England,

From Sept. 1764 to Sept. 1778. 14 years.	To the cost in England of the goods, stores, and bullion <i>sent to India and China</i> , with the expence of raising and transporting troops for the defence of territories, with other charges (not relating to commerce) paid here, from the season 1764 to the season 1777, both included: these se- veral heads came to .....£9,990,439	
	The bills of exchange drawn from India and China on the Di- rectors, from the season 1765 to the season 1778, both in- clusive ..... 6,996,015	
	The profits arising in fourteen years from the sale of Europe goods and stores abroad the last year, by estimate, and applied to the purchase of the investments for Europe 1,140,424	18,126,878
	Balance, being what the above articles are short of the amount of the investments, and is therefore the sum realized in Eng- land from the revenues ..... 3,622,969	3,622,969
		£21,749,847

m the Territories and Revenues obtained in India.

From arch 1766 to arch 1780 4 years.	<p>By the amount <i>returned</i> to England from India and China, in the space of fourteen years, reckoning from the <i>arrivals in 1766, to the arrivals in 1779</i>, both included; these several investments, according to their invoices, cost the sum of ..... £21,721,654</p> <p>Received in the season 1775 of Government, and on account of the Manilhas ..... 28,193</p> <hr/> <p>The above fourteen years' <i>imports</i> were brought to market and sold in fourteen years and a half, or to their full amount.</p>	21,749,847
		<hr/> £21,749,847 <hr/>
	<p>N.B. The sum of 3,662,969<i>l.</i> <i>realized from the revenues</i> in fourteen years and a half, is nearly equal to <math>7\frac{7}{8}</math> per cent. per annum on the capital.</p>	

## CHAPTER III.

FROM 1765 TO 1793.

THE Company's acquisition of the Dewanny of Bengal, Bahar, and Orissa, and the manner of its attainment, having been adverted to in former pages, the object of this treatise only requires of us to notice that this would seem to be the proper commencement of the Company's political character in the East — of their existence as an independent political state, altogether distinct from their commercial calling.

This distinction is remarkably exemplified in the intercourse of the Company's servants in Bengal with neighbouring native powers. Previous to the acquisition of the Dewannee, they are simply addressed as the "English Company, the noblest of merchants," or "the glory and ornament of trade:" but in the Dewannee grant, and in subsequent documents, a different style is adopted, and they are addressed by the Mogul emperor himself as "the high and mighty, the noblest of exalted

“ nobles, the chief of illustrious warriors, our  
 “ faithful servants and sincere well-wishers,  
 “ worthy of our royal favours — the English  
 “ Company.”

Previous to this epoch, both their objects and pursuits were purely commercial ;\* even their contests in India with the Dutch and French companies were, as we have seen, but the struggles of commercial rivals for actual existence, and to maintain a commanding influence, if not exclusive possession, of the Indian trade. On the other hand, the Company had now to exercise the functions of a virtual sovereignty ; but it was a sovereignty unnaturally leagued with commerce. The idea of separation was but little, if at all, entertained in the highest quarters ; whilst the advocates of monopoly, fondly attached to old habits, and still cherishing hopes of il-

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\* This was also the opinion of the Company's servants themselves ; for which the reader may be referred to Mr. Verelst's letter of 16th December 1769, in which he describes their transition from the state of humble merchants, before the grant, “ whose utmost ambition was the credit of a good bargain,” to that of “ masters and administrators of a legislative authority,” after the grant ; “ with power to plan, direct, and “ inspire every measure of government, whether with regard “ to foreign treaties, or domestic regulations, &c.” — Ver. App. p. 121.—Vide also Bruce's Plans for British India, p. 35.



limitable gain, clamoured then, as now, for the indispensable necessity of uniting power and commerce in the same hands, to govern a country so distant, and a people so opposed in genius and habits to the rest of the human race.

When advice of the Dewannee grant first reached England, the most extravagant expectations of its advantages were entertained by the proprietors of Indian stock, and by the public at large. His Majesty's Government even were infected with the same conceits; and at first demanded the revenues of these fertile countries for the crown. To meet the expectations of Government, a strong party of Proprietors in Leadenhall Street proposed that, out of the surplus receipts from Bengal, 900,000*l.* per annum should be paid into the exchequer, and the proprietors be allowed a dividend of 14 per cent. for fifty years. On another occasion they are said to have conceived that a dividend of 50 per cent. was less than might be expected from the value of their present possessions.

The views of the Court of Directors, however, were more moderate, and just. The dividend to proprietors had stood at 6 per cent. from the year 1755 to 1766. The Directors now proposed to raise the dividend to

12½ per cent. ; to apply one half of the remaining surplus to the payment of the Company's debts, and the other half to be paid into the exchequer.\* This proposition was at first approved by the Chancellor of the Exchequer, and a negotiation proceeded on this basis. Meanwhile, a Court of Proprietors had already voted an addition of 4 per cent. to the annual dividend. This proposal of the Court of Directors for dividing 12½ per cent. was objected to in parliament ; and a bill introduced to restrain the proprietors from such dividend for one year. Further negotiations and intrigues between the party of proprietors and the minister were the immediate consequence ; and the Chancellor, turning tail on the Directors, now demanded a fixed annual payment of 400,000*l.*, with a total indemnification of 1*s.* per pound duty on black tea, amounting to about 200,000*l.* more. This the Directors refused ; but through the influence of the party it was carried in a general Court of Proprietors. The party, however, were in the end wofully disappointed ; for, on the debate of this motion in parliament, the payments to be made by the Company into the exchequer were acceded to,

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\* Verelst, p. 77.

but the restraining bill on the proprietors' dividend was carried against the minister, who was left on this question in the minority.

After a long, though vain, opposition on the part of the Directors, the arrangement with Government for paying 400,000*l.* per annum was completed, and agreed to be extended to seven years.\*

But the proprietors had already secured to themselves, by a vote of the General Court, a dividend of 10 per cent. To meet this and the other demands on their treasury, the Directors, encumbered too as they now were with a heavy load of debt (*p.* 494.), had no resource left but to apply the funds of their sovereignty in aid of their commerce. The investments of goods from India were accordingly ordered to be encreased from 350,000*l.* to 800,000*l.* per annum ; and as the Company's necessities in England prevented their sending out the usual supplies of bullion to China, these supplies, to the extent at

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\* The 7th Geo. 3. cap. 56, provides the indemnification to Government for the duty they gave up of 1*s.* per pound on black tea ; and the 7th Geo. 3. cap. 57, and the 9th Geo. 3. cap. 24, for the annual payment of 400,000*l.* to Government, which appears to have been only continued for five years.

this time of 300,000*l.* per annum, were also furnished from the surplus revenue of Bengal.

According to Mr. Verelst,\* Bengal was thus drained, in the five years succeeding the Dewannee grant, of

“ Supplies of bullion to the other	
“ settlements . . . . .	£1,284,008
“ Goods, stores, bills, &c. to do.	620,337
“ And cargoes on our European	
“ ships . . . . .	3,037,266
“ Total 4,941,611”	

A table is subjoined, by Mr. Verelst, of the revenues and charges of Bengal for the five years in question ; whence there appears a net surplus of revenue, in the same period, of 4,226,155*l.*, which may therefore be taken to be the amount supplied by territory to commerce within the period ; since it corresponds very nearly with the preceding sum, after deducting the goods and stores which may

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\* Ver. State of Bengal, p. 81, 85. Mr. Verelst was long a distinguished servant on the Bengal establishment, and was president and governor of Bengal and its dependencies from the beginning of 1767 to the end of 1769.



have been furnished for other than commercial purposes.

The pressing necessities of the Company at home, and the eager demands of the parliament, and proprietors, occasioned fresh orders being now sent every year from England to encrease the Company's investments; and as the commercial supplies from Europe, instead of encreasing with these encreased wants, had considerably diminished subsequent to the Dewannee grant, more especially in the article of bullion, (for many years of the period now under review not an ounce was exported to India or China, and in many other years only small sums\*) the difference, or additional demand, was of course made up by means of supplies from territorial funds; as an example of which Mr. Verelst mentions the "investment of 1771 from Bengal amounting in goods alone to 768,500*l.* *having been wholly purchased with the revenue of the country, and without importing a single ounce of silver.*" \*

In consequence of these heavy drains, as well from territorial funds, as from the current specie of the country, great and universal dis-

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\* Vide Moreau's tables — Rise and Progress of Company's Trade.

† Ver. State of Bengal, p. 85.

tress prevailed. In addition to these demands, the Company had prohibited their Indian governments from drawing bills on England against the investment supplied; their pressing necessities at home requiring them to be furnished with these investments *free*, or as nearly so as possible\* out of the revenues of India. The Company's servants, and others, requiring bills on England were thus driven to seek remittances through foreign channels. They consequently advanced their funds to the agents of the French and Dutch Companies, who were thus relieved, pro tanto, from the necessity of exporting to India their usual amounts of bullion. Whilst the drain therefore on Bengal continued uninterruptedly, the usual influx was materially checked; insomuch that Mr. Verelst computes, from both these causes, including the tribute money remitted to the Mogul Emperor at Alahabad, and the specie carried off on the

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\* Ver. State of Bengal, p. 87, and App. p. 10. The Directors' orders were to pass no bills on them at a higher exchange than 2s. the current rupee; and since the par of exchange at this time was considered 2s. 3d., and that good bills were procurable from foreign companies at 2s. 4d., or higher, it is obvious that the Court of Directors' orders operated as a prohibition to remittance through the Company's treasury.—Ver. App. p. 119.

flight of Meer Cossim,\* that no less than 13,000,000*l.* sterling was drained, in twelve years from 1757, from the silver currency of Bengal.

During this period, and for many years subsequent to the Dewannee grant, the complaints of the Bengal government to the Court of Directors as to the drains of specie were incessant, but vain. Large and *free* investments from India and China were indispensably necessary to defray the heavy demands on the Company at home. The drain continued; an attempt to remedy the evil by the introduction of a gold coinage completely failed, owing to the adoption of an erroneous principle in the value of the gold; industry became paralyzed; the internal commerce of the country greatly impeded; the difficulties of providing the Company's investments, for which silver was indispensable, alarmingly multiplied; and to crown all, the Company's necessities, out of which these evils sprung, are absolutely represented *to be the sole cause of our continuing the Mussulman system of government in the Bengal provinces*; and thereby perpetuating

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\* Ver. State of Bengal, p. 86. Mr. Verelst estimates the treasure carried off by Meer Cossim on this occasion at five crores of rupees, or upwards of five millions sterling. — App. p. 111 and 116.

those abuses and oppressions which had grown up to a fearful height under the administration of successive Subahdars.\*

Though all these evils are painted in glowing colours by Mr. Verelst, one of the ablest of the Company's servants in those days, he saw not their real root ; but continued as prepossessed as ever in favor of the blessings of that " happy form of government" which so conveniently united power and commerce in the same hands.

The official records of the period now re-

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\* Ver. State of Bengal, p. 81, 84, where he adds — " The  
 " too eager desire of parliament and the proprietors of India  
 " stock to derive immoderate advantage from the acquisitions  
 " of the Company gave birth to many evils which a wiser  
 " policy, and more temperate conduct at home, might have  
 " prevented. It has already been remarked that *this cause*  
 " *precluded all innovation in the management of the reve-*  
 " *nues, perpetuating those abuses which, derived from a*  
 " *remote antiquity, had grown to an enormous size under*  
 " *the government of successive Subahdars.* Ruinous as these  
 " were to the industry of the natives, the impatient demand  
 " upon Bengal, as an inexhaustible mine of wealth, super-  
 " added many other causes of decline to those which already  
 " oppressed the laborious inhabitants. *Each year brought*  
 " *orders from Europe to enlarge the Company's investments,*  
 " while complaints were at the same time received of the in-  
 " creasing price of manufactures, which a competition be-  
 " tween the French, Dutch, and English necessarily occa-  
 " sioned."



viewed abound with proofs of the preceding facts. The Dewanny was granted in August, 1765; and on the 30th September following, the Select Committee in Bengal (Par. 23 and 29) informed the Court of Directors, that they had “now become the sovereigns of a rich and potent kingdom,” with “resources sufficient to defray your civil and military charges, and *to furnish your investments.*”\*

On the 30th January, 1766, the Select Committee report the measures they had adopted for dispatching 300,000*l.* from the revenue collections to Canton for the China investment; adding in this letter, “Notwithstanding these immense revenues, of which the Company is actually possessed, we must earnestly request your serious attention to the consequences of our impoverishing the country by such annual exports of treasure to China. We must also recommend that you devise some method of enabling your servants, and the inhabitants of the settlement, to remit their own fortune, and the effects of deceased persons in their hands by some other channel than that of bills on France and Holland. You are now in a situation which

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\* Ver. App. p. 9, 10.

“ will never require your receiving private  
 “ effects into the treasury to be able to com-  
 “ plete your own investment. Your collec-  
 “ tions are adequate to every purpose and  
 “ demand which we can foresee. The Go-  
 “ vernor in Council could not, therefore, with  
 “ any propriety, subject you to the inconve-  
 “ nience of answering bills to the amount of  
 “ 40 or 50 lacs (500,000*l.* or 625,000*l.*) merely  
 “ for the benefit of your servants, and suffer  
 “ your own money to lie dead and unappro-  
 “ priated in the treasury. Indeed we were  
 “ particularly cautious of drawing largely for  
 “ this year, in order that you might be able  
 “ to discharge your more immediate and  
 “ pressing engagements at home.”\*

Again in December, 1766, the Select Com-  
 mittee in Bengal write as follows:—“ *The large*  
 “ *investments which we are now enabled to send*  
 “ *home, by means of the supplies we remit to*  
 “ *China, and the cargoes from hence, render*  
 “ *the revenues of this country an object of the*  
 “ *utmost importance, not only to the Com-*  
 “ *pany, but to the British nation. As these*  
 “ *are the only means we can at present devise,*  
 “ *whereby you can enjoy the full fruits of His*  
 “ *Majesty’s royal grant of the Dewanny, we*  
 “ *shall continue to exert our utmost endeavours*

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\* Ver. App. p. 16.

“ to extend the investment every year; and we  
 “ propose continuing to supply the China mar-  
 “ ket with money, until your prohibition to the  
 “ contrary shall arrive, or advice from the  
 “ supercargoes that they have a superfluity in  
 “ their hands. Inconveniences will undoubt-  
 “ edly attend this annual exportation of trea-  
 “ sure; but when we reflect on the great ad-  
 “ dition already made to the current specie of  
 “ the country by the gold coinage, and likewise  
 “ that even should your sales fall, yet will every  
 “ increase of your investment prove so much  
 “ actual money remitted to your coffers, we are  
 “ inclined to think this the most eligible sys-  
 “ tem that can be pursued at present. We are  
 “ further to consider THAT, WHILE FOREIGN  
 “ NATIONS ARE PROVIDING THEIR INVEST-  
 “ MENTS WITH MONEY BORROWED AT A HIGH  
 “ PREMIUM, YOU ARE ONLY SENDING HOME  
 “ IN GOODS THE SURPLUS OF AN IMMENSE  
 “ REVENUE, WHICH MAY TRULY BE REGARD-  
 “ ED AS SO MUCH CLEAR GAIN TO THE COM-  
 “ PANY AND TO THE NATION.”\*

There are several other official letters in Mr.  
 Verelst's Appendix, addressed to the Court of  
 Directors from 1766 to 1769 inclusive, by the  
 Select Committee in Bengal, bearing strongly  
 on all the facts above-mentioned; and particu-

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\* Ver. App. p. 38.

larly complaining of the injuries and inconveniences of thus draining the country, from year to year, of its currency and funds. The reader may refer to them from the subjoined notes,\* as well as to a further series from Mr. Verelst himself, after he had succeeded to the head of the government; in which the same facts and complaints are reiterated; increase of investments constantly dwelt upon as the main advantage to be derived from the large revenues of their late acquisition; supplies of bullion from Europe being no longer necessary; and stating, in March 1768, that, whilst the orders from home had required investments to be provided to the extent of 1,350,000*l.*, cargoes had been furnished, in the season then closed, to the extent of 713,812*l.*, besides the usual supply of 300,000*l.*† to China; and adding, in September following, that for the season of 1768-9, goods were

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\* Ver. App. p. 40, 42, 44, 47, 58, 59, 60, 62, 65, 66, 69, 74, 75, 82, 83, 84, 85, 86, 87, 90, 96, 97—99, 100, 107, 114, 116, 119.

† In Bruce's Historical View of Plans, &c. for British India, p. 298, he gives as the average per annum of remittances from India to China for four years, from 1765 to 1769, as follows—

Bullion .....	£246,815
Bills and goods .....	47,422
	<hr/>
	294,237



in preparation “ to the value of one complete  
“ million sterling.”

The celebrated Warren Hastings succeeded to the government of Bengal in 1772; and continued to administer its affairs until 1785. He has left a small tract containing a review of the state of Bengal during his government; in which he states, among other matters, that in 1784 and 1785, investments had been furnished, from the revenues, to the amount of 1 Crore of Rupees (1,125,000*l.* at the exchange of those days);\* that during the preceding five years of war with the Mahrattas, Hyder Ally, and the French, or from 1778 to 1783, the revenues of India, with inconsiderable aid from loans, besides providing for the expenses of that war, with all other charges, had enabled the government to “ supply the China trade with yearly remittances, and to make richer investments for England than were ever purchased in the same space of time under any preceding administration ;\* adding, that as the revenues of Bengal had greatly increased in his time, they were then sufficient (provided the other Presidencies were not allowed to indulge in speculative plans of increasing

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\* Hastings' Review, p. 12. 14.

+ Ib. p. 20.

their investments, or a lavish waste of their treasure) after defraying all charges of government, and all expenses of its civil and military establishments, *to yield regularly an annual tribute of one Crore of Rupees (1,125,000*l.*) to the Company to be remitted through the medium of their trade.\**

A part of Mr. Hastings' tract relates to the prohibition by the Court of Directors against drafts being passed on them, in favour of their own servants wanting remittances to England. These drafts continuing to be prohibited, or only allowed at too low a rate of exchange to be availed of, Mr. Hastings reasons at some length on the hardship of the restriction, as well as its impolicy; inasmuch as its effect was to facilitate the trade of rival companies by means of funds actually furnished to them from our own local resources; and thereby to reduce profits, by enabling such rivals to sell Indian commodities at lower rates in the European

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\* Hastings' Review, p. 32. Mr. Hastings states the revenue of Bengal in his time to be  $5\frac{1}{2}$  crores of rupees, or upwards of  $5\frac{1}{2}$  million sterling. Whether this be gross, or net, revenue is not stated; but in Mr. Verelst's time the gross revenue from 1766 to 1769 was not more than  $3\frac{1}{4}$  crores, or the net revenue more than about 2 crores (3,635,000*l.* and 2,324,000*l.*)

market.\* But the chief point of our present discussion is fully admitted by Mr. Hastings, as it was by his predecessors. He not only speaks of the large advances made from revenue in aid of the Company's commerce, but declares unreservedly *that these supplies have alone supported it.* (p. 36.) In another part he observes, "Although we have so long been in possession of the sovereignty of Bengal, and *have provided our investments, not as the returns of commerce, but as the means of remitting the surplus of the revenues of the country;* yet we have not been able so far to change our ideas, with our situation, as to quit the contracted views of monopolists for objects tending to promote the prosperity of those territories from which we derive so valuable a tribute."

Again he says, "THE COMPANY STILL RECEIVE THE GREATEST PART OF THEIR INVESTMENT VIRTUALLY FOR NOTHING — NOT AS THE RETURN OF COMMERCE, BUT AS A TRIBUTE."†

Mr. Hastings further states that in 1772, when he took charge of the government, the debt in India bearing interest was about three millions sterling; that, in less than two years afterwards, this debt had been com-

\* Hastings' Review, p. 9. 136.

† Ib. p. 142. 148.

pletely discharged;\* that when he left Bengal it had again accumulated to about three millions; but he treats the amount as insignificant; scarcely exceeding, he says, half the annual revenue; and that with the continuance of peace for two years, this debt would also be cleared off.†

A voluminous collection of official documents relating to the political and commercial transactions of this period in India, will be found in the Appendices to the several Reports of the Committee of the House of Commons, and of the Committee of Secrecy in the year 1772 and 1773, and many of them fully confirmatory of the preceding facts.

Not to load this treatise with unnecessary quotations, or to multiply references, I shall content myself with the relation of one remarkable occurrence at this period, as strikingly corroborative of the position here affirmed.

In consequence of continued remonstrances, by the Indian government, on the difficulties of remittance to England through the Company's treasury, the facilities thereby granted

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\* This is also confirmed by Bruce in his *Historical View of Plans, &c. for British India*, p. 323.

† Hastings' Review, p. 20, 21. Mill states the whole of the Indian debt, at the close of Mr. Hastings' administration in 1785, to be upwards of ten millions sterling.—Vol. ii. p. 675. See also *No. 3.* of tables annexed to *Chap. IV.*



to rival foreign Companies, the injury sustained by the country in the exhaustion of its silver currency, and the low state of the Bengal treasury from constant drains to supply large investments, and now to support a disastrous war in the Carnatic, the Court of Directors, in their letters of 11th Nov. 1768 and 17th March 1769, authorize bills to be drawn on them, for the ensuing season, to the amount altogether, as stated by the Committee of Secrecy, of 212,789*l*.; and by subsequent instructions of the 30th June 1769, to the amount of 228,557*l*. in subsequent seasons. These bills were required to be drawn at 365 days after sight, and 2*s*. 2½*d*. and 2*s*. 3*d*. the current rupee, and without interest in the event of payment being delayed.

In the first of the preceding instructions to Bengal, the Court of Directors observe that  
 “ they cannot suffer themselves to be drawn  
 “ upon to an unlimited amount, the state of  
 “ the Company’s affairs in England not yet  
 “ admitting them to answer large drafts upon  
 “ them from India; but that should the ex-  
 “ gencies of affairs abroad require the govern-  
 “ ment to receive money into their treasury,  
 “ they (the Directors) prefer the mode of bor-  
 “ rowing at interest, to that of granting bills  
 “ upon them, and therefore permit the govern-

“ ment to take up such sums at interest, for  
 “ one year certain, as would answer their  
 “ various demands, which were to be paid off  
 “ at the expiration of that period, or as soon  
 “ after as the state of their treasury would  
 “ admit.”\*

And in their letter of March 1769 the Court of Directors write — “ Upon reconsidering the  
 “ subject, of remittance, we find it so connected with that of investment, that the increase of the former must always depend  
 “ upon that of the latter, the *produce of our sales here is the only channel of our receipts;*  
 “ *and our flourishing situation in India would not avail us, if we were to suffer ourselves to be*  
 “ *drawn upon to the amount of the cost of our homeward cargoes.*”†

The orders of Nov. 1768, and March 1769, were received in Calcutta on or before the 9th Oct. 1769; and the orders of June 1769 were received in Jan. 1770. At this time the two governments of Bengal and Madras were concocting a project to accumulate a fund of one crore of Rupees in cash (1,125,000*l.*) to be in tangible in all ordinary times, and to serve as a resource in the perils of hostile invasion; such, for instance, as the ravages, and total

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\* 8th Rep. Com. Sec. vol. iv. p. 359.

† Ib. vol. iv. p. 367.

stoppage of territorial supplies, occasioned by Hyder Ally's visit to the Carnatic in 1768 (*vide Vol. I. p. 419.*)

In prosecution of this scheme, and to deprive rival companies of the supplies they had hitherto been receiving from the Company's servants, and others, desiring remittance to Europe, the Bengal government determined, on receipt of the abovementioned orders from the Court of Directors in October 1769, to open their treasury for bills; and in the year 1770 they accordingly drew bills on the court, not for either of the authorized limited sums above specified, viz. 212,789*l.* or 228,557*l.*, but for the large sum at once of 1,063,067*l.*

Neither were these bills drawn on the terms prescribed by the Court; but one portion at 365 days sight, another at 730 days, and a third at 1095 days, at 2*s.* 2½*d.* and 2*s.* 3*d.* the current rupee; but all to bear interest at 3 per cent. per annum after the first 90 days. These bills, being presented in 1771, would, of course, fall due in 1772-3 and 4.

That government might accumulate the more readily their proposed protective fund of 1 crore of rupees, they also determined to limit the investment of that year, and of some future seasons, to 45 lacs of rupees (562,500*l.*)

not much more than one half of former amounts.

When intelligence of these proceedings reached the Court of Directors, it came like a messenger of death, as if to seal their future doom. The prospect of curtailing their investments, or, worse than all, of making them pay for the goods they received, was to them an omen of impending annihilation. Without *free* investments, ruin and bankruptcy stared them full in view; and against such unheard of atrocity, the Court immediately raised the voice of their utmost indignation and displeasure.\* Among other letters referred to on this momentous affair, the Committee of Secrecy quote one (p. 361.) of the 23d March, 1770, addressed to both the Presidencies of Fort William and Fort St. George. In these letters the directors (it is stated) observe, “That however salutary it may be to have a view to remote events, and to provide for future exigencies, *after their investments shall have been carried to the extent requisite for the Company’s immediate occasions*, yet in how unfavourable a light must appear the intention of their servants to guard against re-

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\* 8 Rep. Sec. Com. p. 368.



“ mote and uncertain evils abroad, by *leaving*  
 “ *the Company to sink under absolute and pre-*  
 “ *sent distresses at home.* They then state,  
 “ (the committee add) the many demands  
 “ they have upon them at home, and express  
 “ the utmost astonishment to see their ser-  
 “ vants entertain the idea of *reducing their*  
 “ *investments without absolute necessity, and*  
 “ *thereby depriving them of the only means they*  
 “ *have to answer such demands.* They then  
 “ express their hopes that, upon more ma-  
 “ ture deliberation, their servants will lay  
 “ aside so *destructive a design*; yet they say  
 “ *the view of it is so alarming* as to make it  
 “ necessary for them to declare their peremp-  
 “ tory prohibition of such a measure. They  
 “ tell them that *every other consideration is to*  
 “ *give place to the essential and primary ob-*  
 “ *jects of their investments*; admitting that  
 “ their next concern would be to have a  
 “ large balance remaining in their treasury;  
 “ but declaring their expectation that the  
 “ revenue of each presidency ought to afford  
 “ a surplus for the establishment of a fund  
 “ against emergencies. And they conclude  
 “ with positive injunctions that their servants  
 “ do not at any time engage in plans of so  
 “ important a nature without their knowledge  
 “ and concurrence, as it behoves their ser-

“ wants to concert with them only such systems as *materially affect the very being of the Company.*”

The same disobedience of the Company's orders occurred on this occasion, both at Madras and Bombay ; but the amounts, being trifling compared with the Bengal drafts, are hardly worth noticing. At Madras, the government were authorized to draw 30,000*l.*, and their drafts amounted to 71,555*l.* ; and at Bombay the government were authorized to draw 50,000*l.*, while their drafts amounted to 168,468*l.* ; and both governments equally transgressed, as well in regard to the exchange, and sight, of the bills drawn, as to interest being charged thereon after ninety days.

But another remarkable feature in this case is, that after the Bengal government had determined to pass these large drafts on the Court of Directors, to enable the Court to meet the same, they resolved, in October, 1770, to encrease the investment of the season from 60 lacs (675,000*l.*) to 76 lacs, or 950,000*l.* ; and to purchase the difference with bonds for one year certain, bearing an interest of 8 per cent. The goods thus purchased were termed “ Ready money goods.” They proved to be of very inferior quality,

and sold with great difficulty, and at considerable loss. Still they served to encrease the consignments of the year, which, as per Appendix 11. of the 8th Report, consisted as follows —

Goods provided at the Aurungs (commercial factories) . . . .	£615,033
Purchased for ready money (i. e. bonds) . . . . .	289,829
Total .	£904,853

But the apportionment of the 76 lacs above-mentioned, by the Bengal government, is the circumstance most deserving of notice here. One portion of this amount was intended to meet the demand of His Majesty's government on the Company of 400,000*l.*; another to meet the first set of bills falling due; and the third for "*the annnal provision of exports to this presidency,*" which three articles are accordingly estimated as follows :

" From government . . . . .	37 Lacs.
" For the first payments of bills falling due . . . . .	25 Do.
" <i>For the provision of exports for this Presidency . . . . .</i>	14 Do.
Total	76 Lacs.*

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\* 8th Rep. Com. See vol. iv. p. 367.

Although the Court of Directors, in the letters quoted and referred to in this report, had abundantly expressed their “surprise, “indignation, displeasure, and resentment” at the bills thus drawn on them by their government abroad, and the pecuniary difficulties and distress it would subject them to at home, they nevertheless determined, after receiving advice of the bills drawn, to continue the half year’s dividend to proprietors, ending Christmas, 1770, at the rate of 12 per cent. per annum, and afterwards to raise it for 1771 (subsequently continued to Midsummer 1772) to  $12\frac{1}{2}$  per cent.

These dividends were payable at Midsummer in each year. Previous to their declaration, two estimates of cash were framed at the India House, the one from 15th Feb. to 5th Aug. 1771, shewing a balance in favour of . . . . . £221,477

And the other from 1st March to

1st August, 1772, shewing a ba-

lance in favour of . . . . . 102,842

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Total for both years    £324,319

But these estimates were purposely framed on each occasion to shut out large payments *falling due in August and September*, to meet



which *no receipts were expected or could be received* :\* viz.

In August and Sept. 1771	. . .	£394,217
And in Do. Do. 1772	. .	559,846

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Total £954,063

So that on this shewing there was an actual deficiency of 629,744*l.*, besides a debt due to the bank, called the “Old bullion debt” of 250,000*l.*

On minute examination of these estimates, the Secret Committee observed several inaccurate entries and omissions, obviously intended to bring out a favourable balance, which would otherwise be unfavourable; and if the same were corrected pursuant to the committee’s remarks, the real deficiency in 1772, instead of the sum above noted, would have been upwards of one million sterling.

The day of reckoning, however, was at hand. Delusion could not long delay it. In July, 1772, it was discovered that, to meet

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\* After the month of July in each year, the Company had no receipts to expect until the incoming proceeds of their regular September sales.

For the particulars of this statement, vide Com. Report, p. 377, 378. 391.

payments due in that month, and to the end of October, the Company's cash would be deficient to the amount of 1,293,000*l.* On this alarming discovery, application was made to the bank for a loan of 400,000*l.* and granted ; then for 300,000*l.*, but only 200,000*l.* granted ; and finally, an application to the Prime Minister for one million sterling, to aid "in carrying on the circulation (as it was called) " of the Company's affairs."\* The Company obtained on this occasion a loan from government of 1,400,000*l.* in exchequer bills, at 4 per cent. per annum, with a remission of the 400,000*l.* per annum from the territorial revenues until the debt should be discharged.

So disastrous an exposé of the Company's affairs caused stock to fall from about 220 to 165, 140, and 139, in 1772-3 and 4 ; from which it recovered but slowly down to 1793, and with considerable fluctuation in the interim ; it being as low as 119 and 118 in 1783 and 4. Dividends also sunk immediately to 6 per cent. from Midsummer 1772, and continued to Midsummer 1776. They then rose for a

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\* 8th Rep. Com. Sec. vol. iv. p. 399, 400. The whole of the 8th Rep. is occupied with this important subject, and may be referred to for complete information of all the particulars above given.

year and a half to 7 per cent., on the above-mentioned debt to government being paid off; and afterwards to 8 per cent. from Christmas 1777 to Christmas 1792.

From the preceding series of important facts, we are led to the following conclusions:—

First: It is certified by the highest authority, that *free* investments, to be furnished from the revenues of India, were at this time an object with the Company, *to which every other, be it what it might, must give place; the receipt of large investments from India, to COST NOTHING, being indispensable to the Company as a commercial body.*

Secondly: That the Bengal Government, after the acquisition of the Dewanny, were, it appears, in the habit of regulating their investments, so as not only to defray all demands in England, but also to *provide an adequate fund annually for the return of exports from Britain to India*; thereby confirming the declaration of Mr. Warren Hastings, that the Bengal revenues were the *sole* support of the Company's trade.

Thirdly: That there were at this time no political charges payable in England, unless the 400,000*l.* per annum to government for a short period (only five years of it paid),

and a few military stores, be so considered ; but these would only weigh a feather in the scale against the many millions of revenue supplied, and supplying, by territory to commerce, and for which the latter ought to be debited on every fair principle of accounting, as a regular loan, or *bonâ fide* commercial debt.

How vain, then, must be the pretence of those, who still contend that, even in these days, territory was largely indebted to commerce. We have irrefragable proof of the reverse — the unequivocal avowal of those most interested in the question, that uninterrupted supplies from revenue were the only prop of this crumbling fabric — that revenue now supplied the very sinews of the Company's trade ; and that to call on commerce for payment, even of a portion of the goods she dealt in, was to alarm her with the dread of utter ruin.

We must therefore conclude — and indeed it seems the only rational conclusion — that, after passing the act 7 Geo. 1. c. 3. (*p.* 462.) whereby the Company were authorized to borrow money, *but solely for the purpose of their trade*, to the extent of five millions, this constituted their only trading capital, until it became ex-



hausted, or absorbed in losses, wasteful expenditure, and the creation of useless dead stock ; that afterwards, they traded on credit, having for several years previous to 1765 a constant floating debt outstanding of upwards of 2 millions sterling ; and that after the Dewannee grant, territory alone supplied every resource, and was actually indispensable to their continued existence.

In 1777 the loan from government of 1,400,000*l*, was finally paid off ; when dividends were raised by agreement to 7 per cent. In 1778 war was declared with France ; and the English in India, being prepared for the event, succeeded in depriving the French of all their possessions in Bengal, and on the coast of Coromandel. This was shortly followed by war with the Mahrattas, in alliance with Hyder Ally, whose terrific ravages in the Carnatic in 1780 have been already noticed (*Vol. I. p. 419.*) This confederacy of Native Princes threatened at one time the extinction of the British name in India : but the timely arrival of Sir Edward Hughes, and Sir Eyre Coote, with fresh forces, turned the tide in our favor, when the Mahratta Princes were gradually withdrawn from the alliance ; and Hyder Ally dying in 1782, the war with his

son Tippoo drew to a close ; and peace was re-established on 11th March 1784.

In 1780 notice was given by parliament that the debt of 4,200,000 would be paid off in 1783, and the exclusive privileges of the Company abolished, unless they agreed to pay one million sterling for the renewal. After much discussion this demand was reduced to 600,000*l.*, finally settled at 400,000*l.*; when the act 21st Geo. 3. cap. 65. was passed renewing the Company's charter until 1791, with three years notice ; and the usual clauses as to the cessation of their privileges on payment of the debt of 4,200,000*l.* By this act dividends were limited to 8 per cent ; and after payment thereof and all charges, three-fourths of the surplus profits, if any, to be paid into the Exchequer ; the remaining fourth to be applied to the encrease of dividends, which, however, were never to rise above 12½ per cent.

As large investments continued to be supplied throughout this war—the very “being of the “Company” in England depending thereon—the treasuries abroad were again so drained by investments, and war charges together, as to compel the Government-general, in December 1780, to inform the Court of Directors that a large reduction, or possibly a total suspension, of their investments must necessarily be sub-

mitted to.\* The Board of Trade at Calcutta were nevertheless authorized in April, 1781, to provide an investment for that year to the amount of 900,000*l.*, by granting “certificates for government bonds” in payment thereof, bearing interest at 8 per cent. per annum, to the extent of 650,000*l.* But the Company’s bonds were already at a discount; and this additional supply to the currency reduced their value still lower. The agents for providing the investment required a larger advance in bonds, than usually given for this purpose in money, by 25 per cent. But the prices of all the goods purchased was considerably raised, when paid for in depreciated certificates or bonds. The fall of the Company’s credit, however, was not the only evil experienced on this occasion; for the net revenue diminished in the same proportion to the additional interest payable on these certificates or bonds; and which, with the continuance of this system, must of necessity annually encrease. The trade on bonds, therefore, soon came to an end.

The Bengal Government next, or in April, 1782, projected a scheme for filling the Com-

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\* Vide 9th Rep. Sel. Com. 1783, and the correspondence referred to in the App. for a history of this transaction.

pany's ships of the season with investments on account, and at the risk, of individuals to the extent of 80 lacs of rupees (900,000*l.*), to be consigned to the Company, whose only benefit from the arrangement was to be a commission on the sales, together with whatever amount of profit might be realized on the sales over and above yielding 2*s.* 3*d.* per rupee to the subscribers. This was turning the Company into mere brokers ; but the project fell to the ground from holding forth to the subscribers, after full investigation, a prospect of no better remittance, all deductions included, than 1*s.* 9*d.* per rupee ; whilst the plan contained nothing in the shape of a provision for return cargoes on account of the Company to India.

A month, however, had scarcely elapsed before the Bengal Government altered their scheme in toto ; and determined that the 80 lac investment should be transported at the risk, and for account, of the Company : the subscribers to receive receipts for their respective advances, or subscriptions, bearing interest at 8 per cent., and to be exchanged for drafts on the Court of Directors — that is, for three-eighths of the amount subscribed payable on 31st Dec. 1782, and for the remaining five-eighths on 31st Dec. 1783, at 2*s.* per rupee.



As might be expected, these extraordinary schemes excited again the highest displeasure of the Court of Directors. Both the one and the other were equally appalling.\* By both they would equally be deprived of the means of paying dividends, interest on loans, and other demands on their home treasury; *free* investments being always indispensable to their “being” as a commercial body. It does not appear, however, that these schemes were carried into full effect, or, if they were, that they were of long duration; for, by the returns submitted to parliament, it appears that the Company’s investments from India at this time were not diminished below the usual average amount.

In a former chapter (*Ch. II. p. 465.*) a table is given to shew the course of the Com-

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\* The Select Committee of the House of Commons are severe in their comments on these two schemes. Alluding to a considerable loss which appeared at this time on the Bengal trade, and which will be noticed hereafter, they observe:—  
 “If the trade were confined to Bengal, and the Company  
 “were to trade on those terms upon a capital borrowed at  
 “ $8\frac{1}{2}$  per cent. Indian interest, their revenues in that province  
 “would soon be so overpowered with debt, that those revenues,  
 “instead of supporting the trade, would be totally destroyed  
 “by it. *If, on the other hand, the Company traded upon*  
*bills, with every advantage, far from being in a condition*  
*to divide the smallest per centage, their bankruptcy here*  
*would be inevitable.”*—9th Rep. 1783, p. 60.

pany's trade from 1732 to 1766. We have a similar table in Bruce's Historical View of Plans, &c. for British India, which may be considered a continuation of the other. It is as follows \*—

Years.	Paid for bullion exported.	Goods and stores exported.	Bills drawn on the Court of Directors.	Total.	Sale of Goods.
Ten years. From 1767 to 1777 per annum	110,042	489,081	458,768	1,057,891	3,313,386
Seven years. From 1777 to 1784 per annum	5,653	500,089	761,425	1,267,167	3,134,964
Five years. From 1784 to 1790 per annum	617,930	635,145	1,551,985	2,805,060	4,572,466
Three years. From 1790 to 1793 per annum	466,893	935,776	668,366	2,071,035	5,103,094

Mr. Bruce remarks on this table — “ *The large amount paid for bills between 1784 and 1790, which far exceeds the proportion of the other periods, was principally occasioned by the great number of bills drawn from India about the close of the war.*”

In this table, as in the former, the prime cost of the return cargoes from India and China is not given ; but it may be collected from other pages (303, 304, and 313.) ; and as these appear to agree with a table given in Mr. Moreau's work, page 24, we may here state the amount on official authority to be for

\* Bruce's Plans, &c., p. 296.

the abovementioned 26 years . . . £49,697,708

But the supplies from England to

India, as per preceding table,

amount only to . . . . . 39,687,484

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Leaving, therefore, a deficiency of 10,010,224 which must have been supplied from territorial funds.

But it may be added, that the above sum of supplies from England contains a large amount of bills on the Court of Directors for political expences, and another for military and naval stores ; and if we consider the number of bills which must have been drawn for political purposes, particularly on account of the war above adverted to by Mr. Bruce, and during the two extraordinary schemes of 1768-9 and 1781-2 and 3, mentioned in this chapter (*page 519, et seq.*), with an allowance also for military stores\* during the prevalence of war, both of which may be moderately estimated at about five millions for the whole period, to be deducted from the sum of commercial supplies, the total deficiency could scarcely be less than fifteen millions sterling, besides the net charge

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\* In Wissett's Compendium we have a table in which the military and naval stores for twelve years of this period are stated separately from the goods exported, and amount to 1,187,432*l*. According to this proportion, the stores for twenty-six years would amount to 2,572,777*l*.

of commercial factories and establishments, &c. &c. abroad; all of which was now defrayed from revenue treasuries.

In 1784 the Board of Commissioners for the affairs of India was first established; and in this year the act 24 Geo. 3. cap. 38. s. 2. commonly called the commutation act, was passed, repealing all existing duties on tea, and substituting a duty of  $12\frac{1}{2}$  per cent. only on the Company's sale prices. In the enquiry which led to this enactment it appeared that, in nine years previous to 1780, 13,198,201 pounds of tea, on an average, were annually imported to the Continent by foreigners; while 5,639,939 pounds only were imported into England by the East India Company. The consumption of tea in England, and on the Continent, was at the same time in the inverse ratio:

That of the British dominions

being . . . . . 13,338,140 lbs.

And of the continent of Europe

at most . . . . . 5,500,000 lbs.\*

The difference was accordingly smuggled into England; and this was ascribed to our high duties, which in 1722 were 200 per cent; afterwards fluctuated from 69 to 128 per cent.;

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\* This account is taken from Moreau, p. 8. Mr. Bruce p. 301-2, makes the relative amounts somewhat different.



and in 1784 were 119 per cent. The effect of this change was immediately felt in the encreased sales of tea in England; which, from 10,148,257 lbs. in 1784, rose in 1785 to 15,081,737; and in pounds sterling from 1,774,503*l.* to 2,301,165*l.*

On this the Company sent agents to the Continent to buy up all the tea for sale in Europe: and by 1788 the agents had purchased 17,009,877 lbs., costing 2,048,797*l.* sterling.

In consequence, as would appear, of these enlarged operations, the Company were authorized by act 26 Geo. 3. c. 62. to add 800,000*l.* to their capital stock—that is, to *borrow* so much for immediate wants. This was subscribed at the rate of 155 per cent., consequently produced 1,240,000*l.*; and the Company's capital was thus raised to 4,000,000*l.*

The Company's trade continuing to encrease, and with it the usual pressure on their finances, another application was made to parliament, and by act 29 Geo. 3. c. 65, they were authorized to *borrow* one million more, under the specious colour of adding so much to their capital stock, which was subscribed at 174 per cent.; producing, therefore, 1,740,000*l.*, and making the capital 5,000,000*l.*

In 1789-90 war with Tippoo was renewed, and continued till 1792, when he was compelled to cede half his dominions to the Company; and to pay 1,600,000*l.* in money.

Parliament had given notice in 1791 of their intention to pay off the debt of 4,200,000*l.* due by the public to the Company; and in 1793 this was accordingly done by act 33 Geo. 3. c. 47, whereby the same was ingrafted in the 3 per cent. reduced annuities; and this was declared to be a redemption of the debt, except that whatever part the Company retained as their property in their corporate capacity (and which they did so retain to the extent of 1,207,560*l.*\*) should, in the event of their privileges terminating, be repaid to them at par. At this time the minister (Dundas) proclaimed in parliament the

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\* By this operation, it will be observed, government did nothing more than transfer the above sum of 4,200,000*l.* to the 3 per cent. reduced annuities, where it still remains in two distinct appropriations, viz.

East India annuities .....	2,992,440
And due to the East India Company, ..	1,207,560

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Total....£4,200,000

The Company were thus relieved of their annuity debt, but nothing else. The old capital of 3,200,000*l.* remained untouched, and therefore a sum for which the Company were still accountable to the subscribers, or stockholders.

existence of a large surplus revenue in India, after paying every description of territorial charge: and in the general distribution of the Company's alleged surplus funds, allotted 10 per cent. on their capital stock as a dividend to proprietors. But notwithstanding this display of apparent prosperity, the Company's home wants were not relieved, and they were again authorized by the same act to *borrow* — that is, to add another million to their capital by subscriptions, which yielded two millions in money, being raised at 200 per cent, on the faith of the future annual dividend being 10 per cent.\*

Part of this money was required to be applied in reducing their bond debt to 1,500,000*l*.

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\* That these additions to capital were in reality nothing more or less than loans to relieve commercial wants is confirmed by Mill, who, alluding to the exaggerated view of the Company's affairs given by Mr. Dundas in 1793, speaks of them in the following terms: — “ Amid all this promise of  
 “ wealth, the Company was in want of pecuniary assistance,  
 “ and was to receive immediate authority for raising what  
 “ was equivalent to a loan of 2,000,000*l*. It was not, in-  
 “ deed, to be called a loan. The *name* of a loan, associated  
 “ with the idea of poverty, was to be avoided. The Company  
 “ were to be empowered to add 1,000,000*l*. to their capital  
 “ stock, which being subscribed, on the faith of a dividend  
 “ of 10 per cent., at 200 per cent., produced to the Com-  
 “ pany's treasury a sum of 2,000,000*l*.—Mill, vol. iii. p. 365.

Their capital stock was now 6,000,000*l.*; and by act 33 Geo. 3. c. 52, their exclusive privilege, and territorial possessions, were continued to them until the 1st March, 1814.

Of the capital stock, as it was called, now amounting to 6,000,000*l.*, but for which monies had been paid into the Company's treasury to the amount of 7,780,000*l.*,\* it is important to observe that this sum constituted a real debt, raised at different times, as has been shewn above, to relieve commercial pressure and distresses, and for which the Company were liable to account to the respective subscribers, or holders of the stock. This capital stock, however, is invariably excluded from the lists or statements of the Company's debts. To prove the Company being at this time in a solvent state, it was incumbent on their great advocate, Mr. Dundas, to shew that they were possessed of good realizable assets to discharge

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\* The rates at which the Company's capital stock was raised, are as follows: —

1708..	3,200,000	at 87½ per cent.	2,800,000	money advanced
1786..	800,000	„ 155	„ 1,240,000	„
1789..	1,000,000	„ 174	„ 1,740,000	„
1793..	1,000,000	„ 200	„ 2,000,000	„
	<hr/>		<hr/>	
	£6,000,000		£7,780,000	



this, as well as all other claims. Notwithstanding the captivating display of the prosperity of the Company's affairs given by Mr. Dundas to parliament, the public accounts, presented at the same period, gave a decidedly different result.

The home debts of the Company	
on 30th April, 1793 were .....	£7,991,078
And their assets or credits at their	
own valuation .....	9,740,832
<hr/>	
In favor.....	£1,749,754*
On the 30th April 1792, the debts in	
India amounted to.....	7,992,548
And the assets, .....	3,800,838
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Deficient.....	4,191,710†
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Total balance deficient.....	2,441,956
But the monies subscribed on account of capital	
amounted, as above, to .....	7,780,000
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Making the total deficiency, including capital ..	
10,221,956	
which there does not appear to have been a fraction of realizable property to meet.	

This is the exposition given in the Third and Fourth Reports of the Select Committee

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\* Vide Fourth Rep. of Sel. Com. House of Commons, 1812, p. 36, and App. 23.

† Vide Third Rep. of Sel. Com. House of Commons, 1812, p. 14, and App. 2; and also Mill's History of India, vol. iii. p. 721.

of the House of Commons, and by Mill, as the general result of the Company's financial affairs in 1792-3, when Mr. Dundas's eloquence persuaded parliament and the public to believe they were in the highest state of progressive prosperity.

Of the Indian debt we shall have more to say hereafter ; but the preceding statement, taken from the most authentic sources, and shewing the Company's commercial concerns to be in a state of utter insolvency, we need no longer be surprised at the frequency of their applications to parliament, as above stated, in 1786, 1789, and 1793, for pecuniary aid. From these documents, indeed, it is but too probable that, on a fair statement of accounts, and with assets justly valued, the Company's commercial capital would be found to have been wholly exhausted — that is, a total loss.

## CHAPTER IV.

REVIEW OF THE COMPANY'S FINANCIAL AFFAIRS FROM  
1761-2 TO 1792-3 INCLUSIVE.

HAVING shortly traced the progress of the East India Company as a commercial body, up to 1793, we must here pause to examine the results of the important events which took place in this period, and the changes which ensued in the Company's commercial operations and views.

Previous to the acquisition of territory in India, the Company's trade was carried on according to the common principles of commerce,—that is—cargoes were sent to India suited to the demands of the market, together with exports of bullion amounting at times to between six and seven hundred thousand pounds in a season ; and Indian commodities of corresponding amount were received in return.

The French, Dutch, and Danish, East India Companies traded to India at this time on the same footing ; and carried out large supplies of bullion. The total export of bullion,

at this time, from Europe to India has been computed to be about 12 or 13 hundred thousand pounds annually.\*

After the acquisition of the Dewanny a total revolution took place in the nature and principles of the trade. As regards the English Company, large and encreasing sums were annually set apart from the revenues to provide homeward cargoes, or investments to England; to supply factories; and to defray various other heads of commercial charge. Bullion, though greatly required, was exported in diminished quantities; or, as in some years, wholly withheld; whilst of goods exported a great part consisted of military and naval stores, the commodities for sale being of little value,† compared with that of the returns.

When, from the extravagant notions entertained in England of the interminable wealth of the Company's new possessions in the East, His Majesty's Government determined to appropriate a share of the revenues, and that

\* 9th Rep. Sel. Com. 1763, p. 54. This is inclusive of annual supplies from the Persian Gulph and Red Sea, amounting, according to Mr. Verelst, to 180,000*l.* in ordinary times, but which had now greatly fallen off.—Ver. p. 81.

† Vide Mill, vol. ii. p. 29; and Wissett's Tables, vol. ii. p. 8, where the stores are stated separately from goods, and form a large proportion of the annual exports.



the proprietors insisted on dividends being raised to 10, and  $12\frac{1}{2}$ , per cent, whilst the Court of Directors themselves, as was natural enough in such circumstances, were not very particular or economical in their own expenditure, the fixed demands on their home treasury could not be less, but probably more, than one million sterling per annum, which required to be provided for at all events. *Free* investments as we have seen, were consequently indispensable; and the prohibition against drawing bills on the Court of Directors, forcing those who required remittances to Europe to place their funds for this purpose in the hands of foreign companies, these companies were also soon relieved from the necessity of exporting bullion to India; whence it came to pass that, as the funds of the Company's servants, advanced to the foreign companies, were the savings of their official salaries and emoluments, paid out of revenue, the revenues of the Company's possessions were thus, in reality, drained not only for the supply of their own trade, but for that of all the foreign companies trading to India.

So complete a change in the ordinary course of commercial operations could not fail to spread through the community its full share of disorganisation. The channels through

which bullion had, for centuries, flowed into Bengal being dried up by the abrupt stoppage to its influx from abroad, occasioned universal distress; whilst a constant drain of specie from Bengal, to supply the established demands of other countries very soon created a scarcity, and consequent paralysis; from which all more or less suffered, but none more severely than the principal authors and actors in this calamitous revolution.

Various expedients were attempted to remedy this complication of evil; amongst others, as we have seen, by loans in India, and drawing bills on the Court of Directors; but this was felt by the latter as an intolerable grievance. Pressed by large payments in England, they could not abandon the system of *free* investments; and though the urgent necessities of the Bengal government occasioned a temporary suspension, or rather modification, of the system, it does not appear that free investments were discontinued; for according to reports of different committees of the House of Commons, and to tables laid before Parliament by the Right Hon. H. Dundas, quoted by Moreau and Wissett, and which will be more particularly referred to presently, the cargoes shipped for Europe from India amounted at prime cost to a sum vastly ex-

ceeding that of the supplies from England in the same period ; which surplus, therefore, with the addition of a large commercial expenditure in India and China, could only be furnished from territorial funds.

In these days the aids derived to commerce from territory, and their amount, were never doubted, nor attempted to be concealed. The committee of the House of Commons, the committee of secrecy, and the select committee, the Government of India, and the Court of Directors at home, all speak of the contributions of revenue as the main or only prop of the Company's commerce. "The investment from revenue"—"the investment that costs nothing"—"the investment that takes away without return or payment"—"the investment that has in it no principle of commercial barter—that makes England therefore annually bankrupt to Bengal to the amount nearly of all its dealing"—"the investment from which India has suffered what is tantamount to the plunder of its manufacture and produce to the value of 1,200,000*l.* per annum"—"the investment resting almost wholly on supplies from the territorial revenues"—are epithets commonly applied to the Company's trade in those days, and questioned by none. It is only in modern times

that we hear boasts of the disinterested sacrifices of commerce to relieve, out of overflowing profits, the burthens of her associate sister. But in delusive pretensions to liberality (for the sequel will show that they are delusive) commerce should not lose sight of past obligations to territory, of supplies that were once, and she then acknowledged it, indispensable to her existence; but she has done so. In June 1830 the Company brought forward evidence to prove, or rather to attempt to prove, that, in these very times, commerce had, from her redundant resources, supplied territory with 5,069,684*l.* in the course of 14 years before 1765, which territory did not afterwards repay; and between 1780 and 1793 with 6,829,557*l.* more.

Although this evidence has been sufficiently refuted, as before noticed, in the able examination of Mr. Langton before the Select Committee of the House of Commons in 1831,\* I would beg the reader's attention (in further corroboration of that examination) to the following analysis of one official account of the days in question, to shew how utterly impossible it

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\* Vide Minutes of Evidence, July 1831, Ans. 2861, and the remarks on this evidence in *Chapter II.* p. 485, *et seq.*



was for commerce to furnish a single fraction in aid of any other concern, whilst wanting large and constant extra supplies to discharge pressing demands on her own.

The account referred to is Appendix 24 of the Ninth Report of the Sel. Com. of the House of Commons in 1783, signed by Samuel Nicoll, accountant, and extends from p. 172 to 183. It purports to be an account of profit and loss on goods imported from India and China in the seasons 1776, 1777, 1778, and 1779; and contains the prime cost, and sale amount, of each separate article composing those investments; and the profit or loss on each, after deducting "freight and demurrage, customs, and 5 per cent (only) for charges." In the preparation of this account the Committee profess to have selected these four years to serve as a view of the more general, or uniform, character of the Company's trade; and that the House might see how far it might be continued, or ought to be regulated, if the "revenue investment," as it is called, should cease.\*

This account presents us with some remarkable facts —

First: It shews that on the investments

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\* 9th Rep. Sel. Com. 1783, vol. vi. p. 60.

from Bengal by far the largest from India, and amounting in these four years to 4,176,525*l.* there was an uniform loss in each season (which the Committee also notice); that on one portion of the goods there was a gain of 186,337*l.*, and on the remainder a loss of 705,566*l.*; therefore a net loss in four years of 519,229*l.* On the consignments from Bombay there was also an uniform loss, with the exception of one year of small gain. On the consignments from Madras, and Bencoolén, small gains in each year. And on those from China the largest gains of all.

This account therefore shews that the Indian trade at this time from Bengal, Madras, Bombay, and Bencoolén, taken together—contrary to the extravagant notions of the British public—*was absolutely a losing concern, particularly that from Bengal*;<sup>\*</sup> in other

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<sup>\*</sup> The account above referred to exhibits the following particulars as to the loss or gain on investments from Bengal, Madras, Bombay, and Bencoolén, and also from China.

#### BENGAL.

1776	Loss on the whole investment	.....£ 24,471
1777	Do.	do..... 148,021
1778	Do.	do..... 249,932
1779	Do.	do..... 96,805

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Total loss..... .£519,229

words, that if the Company had not received these cargoes or investments *for nothing*, it

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## BOMBAY.

1776	Loss on the whole investment	....	£10,400
1777	Do.	do.....	2,117
1778	Do.	do.....	45,258
			<hr/> 57,775
1779	Gain on the whole investment—deduct		709
			<hr/>
	Net loss	.....	£57,066
			<hr/>
	Total loss Bengal and Bombay..		576,295

## MADRAS.

1776	Gain on the whole investment		93,937
1777	Do.	do.....	78,805
1778	Do.	do.....	70,609
1779	Do.	do.....	35,577
			<hr/> 278,928

## BENCOOLEN.

1776	Gain on the whole investment (pepper)	.....	36,873
1777	Do.	do.....	28,407
1778	Do.	do.....	24,818
1779	Do.	do.....	17,662
			<hr/> 107,760
	Total gain Madras and Bencoolén, to be deducted..		386,688
			<hr/>
	Total loss on India trade, including Bencoolén	....	189,607

would have been impossible to have carried on the trade at all; and that the China trade was then, as at present, their only source of even apparent profit.

Secondly, That the value, or prime cost, of all the investments in these four years amounted to 7,045,164*l.*; on which there is a computed profit of 684,489*l.*; but this is a profit after deducting freight, customs, and 5 per cent only for charges. Other charges would require to be added to make this account complete. Of these we have no detailed statement; but in the Third Report of the Committee of Secrecy, vol. iv. p. 40 to 46, we have a view of the Company's home debts, from 1762 to 1765 inclusive, and which we have reason to be assured were encreased, not diminished, in the period here treated of. It appears then that the Company's annuity

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CHINA.

1776	Gain on the whole investment	.....£203,756
1776	Do.	do..... 247,198
1778	Do.	do..... 209,243
1779	Do.	do..... 213,899

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Total gain, China..... 874,096

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Net gain on investments from India, Bencoolen, and

China ..... 684,489



debt amounted to . . . . .	£2,992,440
Their bond debt average of 4 years	2,765,607
And their floating debt do. do.	2,206,039
	<hr/>
Total	£7,964,086

that on the two first sums of fixed debt they paid an average annual interest of 215,637*l.*; whilst they only received from Government 126,000*l.* per annum, on their capital, as it was called, or loan of 4,200,000*l.* to the public. On their floating debt, however, which consisted of temporary loans from the Bank, customs, and other payments, in arrear, they had to pay interest on the different sums, varying from 3 and 4, to 12 and 15 per cent;\* and if this latter interest be placed against the interest received from Government (a more than ample concession) it will leave the other sum of 215,637*l.* a net charge on the commercial adventures amounting in four years to 962,548*l.* This one item therefore, without reference to others, would more than absorb the

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\* Vide Second Report of Committee of Secrecy of 1772, page 32, wherein it appears that the Company's debts to the bank bore an interest of..... 4 per cent.  
Do. to government for indemnity on Tea..... 12 „  
Do. do. “ as per agreement” ..... 15 „  
Do. do. for unrated customs..... 6 „  
Do. for freight and demurrage, and Poplar fund 4 „

whole of the aforementioned sum of computed profit.\*

But this is not all. If the Company had had, like other merchants, to pay for their goods, it is obvious that they must long ago have been avowedly bankrupt; and that *free* investments, as they themselves acknowledge, were indispensable to their very "Being." For how, otherwise, were they to pay dividends to proprietors, averaging at this time upwards of 250,000*l.* per annum? How were losses to be borne, commercial establishments, or the cost of commercial buildings to be defrayed, with various other charges not included in the account? Or how, in short, were those returns to be made to India from which aids to territory are now pretended to have been supplied? Have not the Court of Directors themselves declared (*p.* 521) that the sale proceeds of these *revenue investments* were the only channel of their receipts? And if any sums were at any time temporarily made by commerce for territorial purposes, either at home or abroad, can any fact be more manifest than that such advances must have been made from the very funds which territory itself had previously furnished?

Finally, although the officers at the India

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\* For the Company's peculiar mode of computing profit, see a further illustration in *Chap. V. post.*

House are pleased to allege, without proving, that 5,069,684*l.* were supplied to territory in fourteen years before 1765, and 6,829,557*l.* more from 1780 to 1793, we must not overlook a statement, taken from official records, by the Company's historiographer, Mr. Bruce, who asserts, on the other hand, that for six years of this period, or from 1783-4 to 1789-90, the Company's losses on their export trade amounted to "4,625*l.* per annum."\*

Now if the Company's import trade previous to 1780 is shewn on competent authority to have been regularly a losing trade, and that in subsequent years the Company had been losing at the rate of 4,625*l.* per annum, on their exports, it would be satisfactory to know from what prolific sources they have been enabled to repair these losses, and to advance at the same time nearly twelve millions more in aid of territory. Unless this can be satisfactorily explained, the bare assertion of Commerce having supplied the aforementioned aids to territory at this time from her surplus profits, or from funds exclusively her own, can only be considered fallacious, or little better than a mockery.

But there are other official accounts before the public, and bearing directly on this

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\* Bruce's Plans, &c. for British India, p. 317.

question, which, before closing the chapter, I would beg leave briefly to notice.

In consequence of the Company's affairs coming frequently at this time under the notice of Parliament, committees of the House of Commons were appointed to investigate them; and the result of the committees' enquiries is contained in several voluminous reports, dated in 1772-3 and again in 1781-2-3, and now before the public.

In the Third Report of the Committee of Secrecy in 1773, page 60 to 65, we have an account of the receipts and disbursements at each of the Presidences, Bengal, Madras, and Bombay, for ten years, or from 1761-2 to 1770-1, furnished from the India House, and signed by "John Hoole Auditor of Indian Accounts." And in the Sixth Report of the Committee of Secrecy in 1782, page 362 to 367, a similar series of accounts is given, being in fact a continuation of the former series, from 1771-2 to 1778-9, signed by "John Annis, Auditor of Indian Accounts." In these accounts the Company's territorial and commercial receipts and disbursements are blended; but the accounts are so clearly drawn out, there is no difficulty in separating the territorial from the commercial branch. The former, *i. e.* the territorial, receipts are contained



in the three first columns of receipts, and the territorial disbursements in the four first columns of disbursements, and are headed as follows, viz.

### Receipts—

Net amount of revenues arising from customs, &c., possessed before the year 1787.	Net amount of territorial revenues lately obtained.	Received on several accounts, viz. of the Nabobs for restitutions towards the military expence, deposits, &c.
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And the others, or Disbursements, are —

Civil and Military Charges.			Amount of payments for restitution, donation to the army, and other accounts.
Civil.	Military.	Buildings, &c. Fortifications.	

No committee having sat and no enquiry prosecuted, after 1783, I have had recourse for the remainder of the period to a work entitled “Compendium of East India affairs.” It was published in 1802 by “Robert Wissett, Esq. F. R. and A. S., clerk to the committee of warehouses.” The work was collected and arranged for the use of the Court of Directors, and contains a series of territorial and commercial accounts from 1761-2 to 1799-1800. Down to 1778-9, Mr. Wissett’s tables correspond with the statements of the committee of secrecy. From 1781-2 his tables are “taken from the “accounts submitted to parliament by the “Right Hon. Henry Dundas.” They may

therefore be deemed equally authentic with the former ; but as there are two years still wanting to complete the whole series, viz. 1779-80 and 1780-1 for Bengal and Bombay ; and three years as regards Madras, I have supplied this deficiency by taking an average for each of these years, calculated on the preceding and succeeding years of Mr. Wissett's tables.

Not to fatigue the reader, with multiplied figured statements, I shall only give general results in this chapter, but for the sake of those who desire more minute information, I have prepared and annex to it three tables, compiled from the several authentic documents above referred to, in which will be found, No. 1, a correct state of the revenues and disbursements of Bengal, Madras, and Bombay for the whole period ; No. 2, the amount of Indian Bond debt at the commencement and close of the period ; and lastly, a statement, No. 3, to show the progress of the Company's affairs from 1711 to 1827-8 inclusive.

No. 1.—Surplus revenue of Bengal, Madras, and Bombay, from 1761-2 to 1770-1, as per 3rd Report Committee of Secrecy, vol. iv. pages 60—65 ..... £4,061,560

Do. do. from 1771-2 to 1778-9, as per 6th Report Committee of Secrecy, vol. viii. p. 362—367.. 7,832,091

Do. do. from 1779-80 to 1792-3, taken from Wissett's Compendium, vol. i. .... 11,607,588

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Total surplus revenue from 1761-2 to 1792-3, being thirty-two years ..... £23,501,239

No. 2.—Statement to show the progress of Indian debt from 1761-2 to 1792-3, or from 274,688*l.* in the first year, to, (in the last year) £7,971,655

No. 3.—Statement to show the progress of the Company's affairs from the union of the companies in 1711 to the latest period, under the joint operations of territory and commerce.

In respect to the table No. 1, I would briefly observe, that, with so large a sum of surplus revenue uniformly derived from the territories of India, it must be obvious to common observation that the Company's debts could not possibly arise from territorial causes. If a man, A., has an estate of 1500*l.* per annum, and only spends 1000*l.*, his expenditure can never involve him in debt; but if his brother, B., be in business, carrying on a losing trade, and A. supplies him annually with 500*l.*, besides guaranteeing B.'s loans, the interest of which he suffers to be charged on his estate; it is then clear that A.'s estate will become encumbered, not from any extravagance or misdoings of his own, but from giving in to the delusions, or speculations, of B. This is precisely the case of the East India Company, as regards territory and commerce. The latter obviously absorbs all the surplus income of the former; besides charging the estate with the principal and interest of a debt, which territory had no occasion to contract on its own ac-

count ; and which never could have been contracted but for the previous drains on its treasuries, to support the operations, and defray the charges, of an invariably losing trade.

But this conclusion will perhaps be still further illustrated by an attentive inspection of the next table, or No. 3., which requires a more detailed and distinct notice.

In this table I have endeavoured to trace, from authentic documents in print, not only the progress of the Company's debt from 1761 to 1793, but from the earliest to the latest periods, and to contrast the same at certain intervals with their assets, enumerated in the Company's several stock accounts. The object of this table is to exhibit in one general view the results of the combined operations of territory and commerce ; containing, as it does, strong corroborative evidence of the main question in this enquiry ; and in respect to which it is desirable that correct impressions should be entertained at this stage of it, or previous to entering on the period subsequent to 1793, when the official documents presented to parliament and the public are more full, regular, and complete.

On the subject of the Company's stock ac-



counts, or statements of debts and assets, it is right the reader should know, and it may therefore here be explained, that the assets always contain a mass of items either unproductive, or altogether dormant, or irrecoverable losses; and when considered as having real convertible value, like that of the effective property, are very much calculated to mislead ordinary readers, more especially when adduced — as they always are — to shew a balance of property, and therefore a state of solvency, after the discharge of all debts.

A Committee of East India proprietors in 1782, and the Select Committee of the House of Commons in 1812, who have dissected and adjusted these asset accounts, have accordingly struck out of them various items, such, for example, as the following in the account of 1782:—

Subsistence of French prisoners in India, of which there remained no prospect of recovery.

Cost of expedition to Manilla, continued in the accounts for a long succession of years after the account had been finally settled in 1770 with Government.

Articles of dead stock, which must evidently remain so during the existence of the Com-

pany, and though worth perhaps their estimated value, could not be converted to any other use.

Stores — Under this head the Committee of 1782 remark, that “ stores, though consisting of a variety of articles, many of which might occasionally be sold to the European or native inhabitants, or for the use of the Company’s, or country, vessels : yet the generality of them being for the defence of garrisons, out-factories or forts, as well as for the service of the troops in the field, are such as must in case of any great consumption *be replaced, and kept up to the present state.* For these reasons, and to prevent the proprietors being misled by an idea that all sums expressed by figures on the credit side of any quick stock were real property, convertible at all times into money, and equally applicable to the discharge of debts or incumbrances, your Committee have thought it consistent with their duty, as it is expressive of their opinion, to place these articles out of the line of effective property.

“ Your Committee have only further to remark on the subject of the quick stock from Bengal, that though there is a great

“ apparent balance in favor of the Com-  
 “ pany, yet none of the articles which com-  
 “ pose it can be applied to discharge the  
 “ bond debt there ; on the contrary, that  
 “ debt has encreased from the 29th Feb.  
 “ 1780, from current Rupees 20,17,418 to  
 “ current Rupees 121,85,145, or about  
 “ 1,370,829*l.*, and must continue to en-  
 “ crease in the present situation of affairs ;  
 “ or what will be worse, bills must be drawn  
 “ on England.”

Old balances, due from renters at out settle-  
 ments and factories — such, for example,  
 as inserted in the Madras quick stock, to  
 the amount of 31,83,000 *Pags.*, or 1,273,200*l.*,  
 which, so far from being recoverable, had  
 gone on encreasing to that sum from  
 19 lacs of Pagodas in 1779, and on which  
 the Committee observe, that such “ out-  
 “ standing credits will, they fear, long re-  
 “ main a non-productive object to the Com-  
 “ pany ; and it may be deemed in some  
 “ measure fortunate if they are not already  
 “ encreased by an accumulation of ar-  
 “ rears.”

Floating adventures outwards — are rejected  
 from the head of effective property be-  
 cause the whole are subject to risk ; some  
 certainly would be lost or damaged ; and

uncertain, where the remainder would be incorporated.—On this head the Committee further remark, “ that the balance of effective property abroad would *not* come out in favor of the Company, if the goods in the warehouses for export, as well as import, were not set in account against the bond debts abroad, though in reality they cannot be applied to the payment of it. For it should always be remembered that the goods for exportation are generally destined to load the ships of the season to England, and that to keep the investments going on, advances must be made in the course of every year equal to the amount of merchandize sent away, otherwise there will soon be a defect in the warehouses at home. For example, if from the goods in Bengal the amount of one crore was consigned last year to England, a crore of Rupees would be wanted from time to time for the purchase of others to replace them ; and the like at other Presidencies from whence cargoes are expected.”

After making these and some other deductions, the Committee leave under the head of effective property “ all balances of cash in the hands of Paymasters, Residents, Pro-



“vincial Councils, &c.,” which must be considered as appropriated in those respective employs and situations — that is, to immediate monthly expences, and therefore no sooner disbursed than requiring to be renewed.\* Besides which, articles have been admitted which the Committee declare “are by much over-rated.” Whilst of the “effective stock at “Bencoolen” the Committee further remark, that being “a losing establishment, no productive property can be expected from thence “without equivalent imports from, or drafts “on, England. What is there already, except pepper, is only for stock and current “use, and cannot ever be valued as a counter-balance to the bonds, which must finally be “liquidated in England, or by assets from “other settlements.”

The balance of effective property abroad from 1782, given in the annexed statement, is therefore only produced by including among

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\* On this description of property, as well as goods in store, Mill likewise observes:—“The goods and effects in hand “which are necessary for the immediate movements of the “machine, and, in the course of immediate consumption, “justly go for nothing; as if any part of them is taken “away, it must be immediately replaced, and cannot form “part of a fund available to any other purpose without diminishing some other fund to an equal degree.”— Mill, vol. iii. p. 270.

the assets the cash balances mentioned in the preceding paragraph, on which the Committee further add, that though liable to the objections above stated, “ they agreed to let them “ stand, though convinced in their own “ minds that they never can be brought in “ abatement of the Company’s real debts ;” adding in another place “ Your Committee think it their duty to observe that “ the bond debts, and other debts in India, “ will not, and cannot, be paid, or even reduced from the amount of effective property set in opposition to them, but must “ be liquidated from future savings in the “ revenue ; whilst, from the present situation of affairs, these bond debts are “ increasing monthly. Even by the accounts “ now produced (more than twelve months “ back), they amounted to at least two and a “ half millions sterling at the three Presidencies.”\*

With all the losses, dubious credits, dormant and unproductive property above adverted to, admitted into this account, a favorable balance is exhibited of 6,384,319*l.* ; but of this the Committee observe, that the sum of 2,165,534*l.* only, including the floating adventures, is effective ; and this is all that can be produced to meet a

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\* Vide Committee’s Report, *ut supra*, p. 148 and 154.

capital of 3,200,000*l*. The Committee close their report with the following passage:—

“ Before your Committee close this report,  
 “ they beg leave to say a few words on the  
 “ subject of the reference made to them, and  
 “ to assure the proprietors that if they have  
 “ exceeded the limits of their appointment  
 “ by giving opinions instead of adhering to  
 “ figures only, they did solely from a per-  
 “ suasion that their report would be incom-  
 “ plete without such remarks; and that if  
 “ these remarks have carried them into mat-  
 “ ters not wholly comprised under debit and  
 “ credit, they were so connected with ac-  
 “ counts as to be the very source and cause  
 “ of them. For situated as the Company  
 “ now are, it is impossible to discuss the sub-  
 “ ject of trade and expence without adverting  
 “ to collateral objects on which the others ma-  
 “ terially depend; because the Company  
 “ may be successful in war, extend their pos-  
 “ sessions, and controul the politics and  
 “ princes of the East, while they are poor in  
 “ revenue, distressed for resources to defray  
 “ expences, and bankrupts in trade.”\*

With these explanations and corrections, the account for 1782 is accordingly intro-

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\* Com. Ninth Report, p. 156.

duced. The remarks of the Committee are very important, as having been passed by a body of Proprietors on their own account. They are deserving of the reader's particular attention, because stock accounts of this description, where the debts, be it remembered, are positive, undoubtedly owing by the Company, and must be paid, asset accounts, such as the Company's always are, would, without a similar analysis, infallibly lead to erroneous conclusions as to the real state of the Company's affairs.

From 1782 the table No. 3 is afterwards continued to 1792-3—1809-10 and 1827-8. The examination of the stock accounts of 1793 and 1810 was effected by the Select Committee of the House of Commons in 1812 (vide Fourth Report, p. 36), on which Mr. Mill has the following appropriate remarks:—“ The East  
 “ India Company has availed itself of its  
 “ mercantile capacity to bring forward regu-  
 “ larly a statement of assets as a compensa-  
 “ tion for its debts. This, however, is ob-  
 “ jectionable on a second account; because,  
 “ according to the mode in which this state-  
 “ ment is framed, it may exhibit at pleasure  
 “ either a great amount or a small. Some  
 “ of the principal articles have hardly any  
 “ marketable value; could produce little, if



“ the Company were left to dispose of them  
 “ to the best advantage ; yet the rulers of the  
 “ Company assign to them any value which  
 “ seems best calculated to answer their de-  
 “ signs. Houses, for example, warehouses,  
 “ forts, and other buildings, with their furni-  
 “ ture, constitute a large article, set down at  
 “ several times the value probably at which  
 “ they would sell. Debts due to the Com-  
 “ pany, and arrears of tribute form another  
 “ material ingredient, of which a great pro-  
 “ portion is past recovery. A specimen of  
 “ the mode in which the account of assets is  
 “ made up may be seen in the following fact :  
 “ that 1,733,328/., as due by the public for  
 “ the expedition to Egypt, was continued in  
 “ the Bengal accounts as an asset after the  
 “ expence had been liquidated in England ;  
 “ and upwards of 2,000,000/., due to the Com-  
 “ pany by the Nabob of Arcot and Raja of  
 “ Tanjore, is continued in the Madras ac-  
 “ counts as an asset, though virtually re-  
 “ mitted and extinguished upon assuming  
 “ the territory of the Carnatic.

“ The account of the assets, therefore, ex-  
 “ hibited by the East India Company, de-  
 “ serves very little regard in forming an es-  
 “ timate of the financial situation of the go-  
 “ vernment of India. Being, however, uni-

“ formly adduced as an article of importance  
 “ among Indian accounts, its presence is thus  
 “ rendered necessary here. As the Com-  
 “ mittee of the House of Commons, formed  
 “ in 1810, instituted a comparison between  
 “ the account of assets and debts for the pe-  
 “ riod of 1793, and the latest period to which  
 “ their enquiries could extend, there will be  
 “ an advantage in taking the same periods  
 “ for the subject of that view of the assets  
 “ which is here required. That Committee  
 “ entered into a slight examination of the  
 “ statement exhibited by the East India Com-  
 “ pany of assets in India ; and by making  
 “ large, *though far from sufficient, deductions,*  
 “ reduced the amount of it nearly one half.  
 “ Unhappily it did not carry even the same  
 “ degree of scrutiny into the statements of  
 “ assets at home, and took it pretty nearly  
 “ as made up by the Company.”\*

However imperfect the Committee’s ana-  
 lysis of these stock accounts, it is still adopt-  
 ed into the annexed table, preferring always  
 the authority of official documents to alter-  
 ations or suggestions which cannot be so  
 sanctioned. The amount for 1827-8 has not  
 been dissected at all ; but if a similar process,

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\* Mill, vol. iii. p. 720.

however incomplete, had been observed in regard to this latter account, it would unquestionably shew a larger deficiency by several millions sterling than that now exhibited.

With the explanations thus given, and the certainty that the figures or results inserted in this table are all taken from official documents regularly certified, it may now be asked, What does this table prove? The plain answer is, that it exhibits the following results—

In 1772-3, a DEFICIENT balance	
on the whole concern of	£783,857
1782-3, a DEFICIENT balance do. of	2,573,454
1792-3, a DEFICIENT balance do. of	10,221,956
1809-10, a DEFICIENT balance do. of	16,374,711
1827-8, a DEFICIENT balance do. of	17,882,812

It shews, in fact, to use the Committee's own expression, a *bankrupt state* of the united concern, from the commencement of the union in 1711 down to the latest period; that no trade could possibly have sustained such an uniform state of "deterioration," for upwards of a century, unless it were kept alive by foreign aids, or artificial props; that no conceivable aid, or prop, can be suggested, in this case, but the territorial revenue since 1765;

and if at the same time it be proved that the revenues of India, ever since that date, were more than sufficient to discharge *all* their own appropriate expences, and to yield a large surplus, can any position be more manifest than that this uniform deterioration, or bankrupt state, of the united concern is wholly to be ascribed to the operations of commerce ?

Reviewing, then, the whole of these tables together ; seeing that the Company's commercial funds had fallen greatly short of the cost of investments annually returned to England ; that the surplus revenue and loans had been applied to supply the difference, and to defray other commercial disbursements ; and that these positions are strongly corroborated by other facts, can we need further proof as to the proper incidence of the Company's debts ? and that the whole, including the supplies from revenue, ought, with interest, to fall as a charge or charges on the commercial head ? It is the only fair principle on which a statement of accounts, as between the territorial and commercial branches of the Company's concerns, can, or ought to, be exhibited to Parliament and the Public ; but completely at variance with that assumed in evidence before the House of Commons on the 7th June 1830, wherein an attempt



is made to prove, " that the commercial capital of the Company rested on a solid basis; and that the debt of the East India Company had its origin entirely in territorial causes."

In allusion to that part of the evidence wherein it is asserted that between the years 1780 and 1793, the excess of payments by commerce in aid of territory was no less a sum than 6,829,568*l.*, Mr. Langton has observed, that the period between 1784 and 1789 was one of profound peace, and perhaps of unequalled prosperity in the state of the Company's affairs abroad. It will be also seen in the annexed Tables, so far from territory requiring aid from commerce, that from 1781-2 to 1792-3, investments were provided from India and China amounting at prime cost to upwards of two millions sterling per annum; whilst the returns from Europe including goods, naval and military stores, and bullion, were little more than half of that amount; and that after 1793 (as will be shewn in the next chapter) large surpluses of revenue continued, as before, to be contributed; and constituted in reality the only capital on which the Company's trade was, or could be, carried on. Instead of a supply, therefore, by commerce to territory previous to 1792-3, it

is shewn in Table No. 1, that territory had actually supplied commerce with funds to the amount of 23,501,239*l.*; exclusive of the debt of 7,971,665*l.*; and unless this statement can be refuted, or otherwise explained, all the accountants in existence will be unable to prove, to the satisfaction of any man acquainted with figures, that the Company's commercial capital did, at the period here referred to, or does now, rest on a solid and independent basis. The impartial reader will more probably be left to wonder at the boldness of the assertion; and perhaps as much puzzled, as the late accountant-general Cartwright was, "to find out where the Company's trading capital really is."

The orders of the Court of Directors to their Indian government being peremptory, that "*every other consideration was to give place to the essential and primary objects of their investments* (page 525), adding, in other letters, prohibitions against bills being drawn on them, except to a limited amount — the produce of their sales being, as they observed, their only channel of receipts to meet home payments (page 521.) — attention to the fulfilment of these orders became a duty on the part of the authorities abroad. Investments were accordingly provided from India

and China, averaging as per annexed table, No. 2,  $1\frac{3}{4}$  million sterling per annum for the whole period, and upwards of two millions for the latter portion of it. Provision for these investments was for the most part made on a vague estimate of funds, and without a very nice regard to actual surpluses of revenue in each year. The orders of the Court of Directors required always a certain amount of investments. Ships were accordingly sent out for its conveyance to England. The preparations of the board of trade were on a corresponding scale; and the revenue treasuries were accordingly drawn upon to answer all these demands. Through periods of war, and even of famine, there was no material diminution of the "revenue investment." When therefore a pressure from other causes exhausted the remaining treasure, and that loans became requisite, these loans were improperly charged to territory; because, had it not been for the previous supply from territory to commerce, loans need not have been raised. On every fair principle of accounts, therefore, commerce should restore to territory, with interest, the advances she had received, or be made to bear that burthen which her own urgent necessities had caused to be contracted. Surplus revenue and territorial debt being absolutely incompatible — their co-existence an untenable

position — it follows that no portion of the Company's debts can be proved to have arisen from territorial causes. The former fact being established, every attempt to prove the latter assertion must inevitably fail.

I have already shewn that the bond debt in England was originally money borrowed by the Company *for commercial purposes*, and served, previous to 1765, as their only trading capital. It hence follows, that both the Indian and the home debts — viz.

The Indian debt bearing interest, commonly called territorial, and amounting in 1793 to . . . . . £6,192,980

Besides Indian debt not bearing interest, and amounting in 1793 to . 1,778,685  
 —————7,971,665

And the home bond debt bearing interest, and amounting in 1793 to . 3,200,000

With bonds in England not bearing interest, and other floating debts, amounting in 1793 to . 4,791,078  
 —————7,991,078\*

Total . . . £15,962,743

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\* Vide 4th Report Select Committee of the House of Commons, 1812, p. 36; and Moreau's Tables.



are purely commercial, having been entirely created by commercial disbursements.

Let the reader pause for a moment, and reflect on the preceding series of facts. He will find, on comparing dates, that the Indian debt had encreased to the sum above specified, from that of 274,688*l.* in 1763 (*vide p. 561.*); that the whole encrease of debt, at home and abroad, between 1762\* and 1793, was 7,491,401*l.*; and that this encrease took place contemporaneously with a surplus revenue in each year, and amounting altogether, during the same period, to 23,501,239*l.*, after defraying every description of territorial charge. Is it then possible to avoid the conclusion, that territory can, on no principle of justice, or of truth, or of mercantile accounting, be charged with a single fraction of this debt? that it must have arisen from some other than a territorial cause; that it owes both its origin and growth to the losses and

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\* The debt of 1762 is taken from the Third Report of the Committee of Secrecy in 1773, and will be found stated as follows: —

Annuity, bond, and floating debts .....	8,196,654
Indian bond debt.....	274,688
	<hr/>
	£8,471,342

expenditure of commerce ; and that, *but for misconception or misrepresentation, Parliament never could have viewed it as appertaining to territory, or that any thing in short but commerce were accountable for its existence.*

## No. I.

ABSTRACT STATEMENT of the territorial revenues and expenditure of British India, from 1761-2 to 1770-71, 1771-2 to 1778-9, 1779-80 to 1792-3.—The first period taken from the Third Report of the Committee of Secrecy, vol. iv. p. 60—65; the second period from the Sixth Report of the Committee of Secrecy, vol. viii. p. 362—367; and the third period from Wissett's Tables, vol. i. p. 82—85, 94—97, and 106—109.

Settlements.	Total Revenue of each Settlement.	Total Revenue.	Years.	Total Expenditure of each Settlement.	Total Expenditure.
	£.	£.		£.	£.
Bengal .....	17,686,316	24,878,290	1761-2	12,261,390	20,816,730
Madras .....	6,431,935		to	5,770,670	
Bombay .....	760,039		1770-71	2,784,670	
Bengal .....	24,417,574	32,547,441	1771-72	14,655,535	24,715,350
Madras .....	6,584,938		to	6,234,837	
Bombay .....	1,544,929		1778-79	3,824,978	
Bengal, 1779-80 and 1780-81, assumed to be the same as 1777-8 and 1778-9.	6,473,097	98,272,630	1779-80	4,695,449	86,665,042
" 1781-2 to 1792-3 .....	70,599,335		to	49,287,370	
Madras, 1779-80 to 1781-2, assumed to be the same as 1776-7 to 1778-9.	2,341,327		1792-93	2,689,554	
1782-3 to 1792-3 .....	15,865,518			19,398,720	
Bombay, 1779-80 and 1780-81, assumed to be the same as 1777-8 and 1778-9.	485,081	98,272,630		1,041,753	86,665,042
" 1781-2 to 1792-3 .....	2,508,272			9,552,196	
		.....	By Balance being sur-		
		.....	plus of revenue over ex-		
		.....	pended in 32 years..		
		155,698,361			23,501,239
					155,698,361

## No. II.

STATEMENT to show the progressive Increase of Indian debt from 1761 to 1793, throughout which period the constant existence of surplus revenue is admitted by the highest Indian authorities at home and abroad. — Extracted from the Reports of the Secret Committee in 1772-3 and 1781-2-3, and the other authorities quoted below.

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In 1761..	Bengal Debt, 30th April.....	£234,975	
	Madras do do .....	39,693	
		<hr/>	274,668
1766..	Bengal do do .....	746,200	
	Madras do do .....	10,480	
		<hr/>	756,680
1773..	Bengal do 13th April.....	1,294,629	
	Madras do do .....	75,046	
	Bombay do do .....	126,198	
		<hr/>	1,495,873
1780-1..	Bengal do do .....	485,378	
	Bombay do do .....	1,052,527	
	Madras do do .....	252,721	
	Bencoolen (besides 92,934 <i>l.</i> of notes in circulation) .....	6,775	
		<hr/>	1,797,401
1785..	Close of Mr. Hastings' administration, Mill, Vol. i. p. 675 .....	*10,464,955	
1793..	Indian Debt bearing interest .....	£6,192,980	
	Do. not bearing interest .....	1,778,685	
	Fourth Report of Sel. Com. of the House Commons in 1812, p. 36.....	7,971,665	

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\* Mill compares, on this occasion, the financial state of Bengal, Bahar, and Orissa in 1772, when Mr. Hastings' administration commenced, with its close in 1785; and finding that in the former period there was a surplus revenue of 668,371*l.* and in the latter of 1,002,678*l.* after defraying all the civil and military charges of the government, it is rather surprising that Mr. Mill's sagacity should not have led him at least to suspect that this constant surplus was not to be reconciled with encrease of debt on territorial account, and that the Indian loans *must*, therefore, have been occasioned by some other cause.



# No. III.

STATEMENT to shew the progress of the Company's debts at home and abroad, from the earliest periods to the year 1827-8; contrasted with assets at their own valuation; as far as the same can be collected from printed authentic accounts.

In 1711	We are informed by Mr. Mill, that the joint debts of the United Company abroad exceeded their assets in the sum of 30,610 <i>l</i> .— <i>Vide Chap. I. p. 448.</i> —whilst their home debts (we have no account of home assets) amounted to 399,795 <i>l</i> . exclusive of their capital stock, now 3,200,000 <i>l</i> .		
In 1765	The Company Home debts amounted to £8,177,247 (exclusive of their Capital Stock)		
	And the Indian Bond debts, to .....	756,680	
			£8,923,927
	<i>Vide Chap. II. p. 494-5.</i>		
	We have still no account of assets.		
In 1772-3	Second Report, Committee of Secresy, p. 18—30.		
	Home Debts (exclusive of Capital) ..	11,402,949	
	Indian ditto .....	2,032,306	
			13,435,255
	Home Assets .....	9,454,099	
	Indian ditto .....	6,397,299	
			15,851,398
	Balance in favour (exclusive of Capital) .....	2,416,143	„
	But the capital being included among the credits or assets, as the Company are, on the other hand, answerable for the amount to individual subscribers or stockholders, it should also be included among the debts, or .....		
		* 3,200,000	„
	When the real balance would be DEFICIENT .....		£783,857

\* The Committee seem to admit, p. 154-5, that the Company's capital ought be inserted as a debit entry. The sum is stated to be 3,200,000*l*.; but the committee being unable to account satisfactorily for the origin of this capital, have, therefore, they say, omitted it entirely from their statement. It is to be found in former accounts ever since the year 1706, as having been subscribed "by the adventurers at 87*l*. 10*s*. per cent." and, therefore, costing 2,800,000*l*. which the committee suppose may have been expended on renewals of the Company's charter, or on buildings, forts, and other articles of dead stock. However it may have originated, or been actually expended, certain it is, that in 1711, 3,200,000*l*. had been lent by the proprietors to government (*Vide p. 446.*), and that this loan had existence prior to the bond debt which the Company were only authorized to raise in 1721, (p. 462.) Another million was added to the loan to government in 1744-5; but the Company were authorized to raise this million by bond, which may, therefore, have been added to their regular bond debt; but whether it was so, or not, is unexplained. It was not till 1749-50, that the Company was empowered to raise 2,992,440*l*. by way of annuities, and as a compensation for the interest on their loan to government being reduced to 3 per cent. This annuity debt, therefore, and the bond debt, would seem to be wholly distinct from the original capital of 3,200,000*l*. and I have accordingly treated them as such throughout this treatise. *Vide also supra, p. 541.*

In July,  
1782.

The Appendix, 21, of the Ninth Rep. of the Sel. Com. of H. of Commons of 1783, pp. 130 et seq. contains a report by a Committee of East India proprietors, appointed to examine into the general state of the debts, credits, and effects of the Company at home and abroad; and to report the same to a general court of proprietors. The estimate of debts and credits produced on this occasion to the committee, included "Many articles of quick stock, " some afloat and at risque, and others " obviously dormant and non-productive, thereby giving the whole an equal " degree of creditable value in opposition " to debts which are actually due and " must be paid." The committee accordingly proceeded to dissect and adjust the said account, whence it appears, as per statements C and I of that appendix, with the remarks thereon, and further adjusted in statement P, that the Company's active debts in England

amounted to .....	£8,496,758
And their effective property to.....	7,935,097
Less Company's separate fund im-	
properly inserted among the cre-	
dits * .....	286,036
	<hr/>
	7,649,061
Balance DEFICIENT .....	† 847,697

\* "This item is the Company's proper and separate fund, not liable to be involved in their commercial operations, but applicable to the augmentation of their dividends, without participation of the public, and ought to have been set aside, and kept separate, unless introduced as a loan; and then it should have been stated in the debit side, as a debt due from the commercial concerns to the Company's private stock."—Com. Rep. p. 142.

† On the home stock account the committee observe, that unless the assets contained in it were speedily realized (which they could not be), the Company could not discharge debts liable to immediate demand, to the amount of 861,291*l.* besides customs falling due between May and September, to the amount of 568,004*l.*—Total 1,429,295*l.* The committee subjoin the following important remark:—"From the investigation of the quick stock in England, corroborated by the best information we can obtain from the officers of the House, as to the amount of the annual payments and outgoings, independent of bills and customs which generally bring their acquittal with them in cargoes, your Committee think they shall not exceed their commission in saying, that the Company will soon be embarrassed in their operations for want of current cash, unless some relief can be obtained from government, and that the parting with 300,000*l.* lately to government, was an alienation of their property, which neither the situation of their affairs at that time, nor at present, can possibly warrant."—This 300,000*l.* I presume, was part of the 400,000*l.* agreed to be paid to government for the renewal of their charter in 1781.

	Brought forward DEFICIENT .....	£847,697	
	Active debts abroad .....	4,138,622	
	Ditto outstanding* .....	129,456	
		<u>4,268,078</u>	
	Effective property, do.....	5,742,321	
		<u>1,474,243</u>	
	Balance in favour .....	1,474,243	
	Deduct deficiency as above .....	847,697	
		<u>626,546</u>	
	Net balance in favour .....	626,546	
	But adding the capital stock, or loan to government, as above .....	3,200,000	
	The real balance of this account would be DEFICIENT .....		£2,573,454
In 1785	Mill, Vol. II. p. 675, gives the following statement at the close of Mr. Hastings' administration —		
	Home debts .....	15,443,349	
	Indian ditto .....	10,464,955	
	800,000 <i>l.</i> stock, addition to capital, cost.....	1,240,000	
		<u>27,148,304</u>	
	Total debts .....	27,148,304	
	Reference is made for authorities to the Fourth, Fifth, and Sixth Reports of the Committee of Secresy, but we have no account of assets.		
In 1792-3	Fourth Rep. Sel. Committee of the House of Commons in 1812, p. 36.		
	Home debts .....	7,991,078	
	Indian ditto .....	7,971,665	
	Capital, now six millions, cost. ....	7,780,000	
		<u>23,742,743</u>	
	Total debts ..	23,742,743	
	Home assets, adjusted by the Committee ..	9,740,832	
	Indian ditto .....	3,800,838	
		<u>13,541,670</u>	
	Balance DEFICIENT .....		£10,201,073
In 1810	Do. do. do. and Mill, Vol. III. p. 772.		
	Home debts .....	£10,357,088	
	Indian ditto .....	28,897,742	
	Capital as above.....	7,780,000	
		<u>47,034,830</u>	
	Total debts .....	47,034,830	
	Home assets .....	14,504,944	
	Indian ditto .....	16,155,175	
		<u>30,660,119</u>	
	Balance DEFICIENT .....		£16,374,711

\* This sum, classed under "debts outstanding," is the Bengal Military and Contingent Fund, commonly called Lord Clive's Fund, and which, as having been deposited in cash in the Company's treasury, they are clearly accountable for.—Com. Rep. p. 134 & 168.

In 1827-8 | No. 25, of papers, &c. presented by H. M. command, Feb. 1830. |

Territorial debts at home and abroad ..	54,973,452	
Commercial do. do. ....	5,506,350	
Capital as above .....	7,780,000 *	
Total debts .....		68,259,802
Territorial assets .....	26,934,663	
Commercial do. ....	23,442,327	
		50,376,990
Balance DEFICIENT .....		£17,882,812
Or, to use the words of Mill, " <i>a balance of legitimate claims</i> " <i>which there is nothing whatsoever in the shape of property to meet.</i> "		
—Mill, Vol. III. p. 724.		

\* In the three last periods of this statement, it will be observed, that the capital stock is rated at 7,780,000*l.*, being the amount actually subscribed and paid in. But if the Company are to make good the capital stock, as prescribey in 33 Geo. 3. cap. 52. s. 115., at the rate of 200*l.* for every 100*l.* stock, it will of course encrease their debt in proportion, and consequently make the deficiency in each period, 4,220,000*l.* more.



## CHAPTER V.

STATE OF THE COMPANY'S FINANCIAL AFFAIRS FROM  
1792-3 TO 1828-9.

ON the principle of *surplus revenue* and *territorial debt* being utterly incompatible, the contents of preceding chapters (unless indeed the official documents in print are fallacious or imperfect) can scarcely, I presume, leave a doubt as to the position here contended for, viz., that the Company's debts at home and abroad are wholly chargeable to commerce up to 1792-3; in other words, that sums equivalent to the loans and surplus revenue together must have been absorbed by commercial losses and expenditure; since it is clear they were not required for territorial purposes, or would not have been required, had the disbursements of territory been confined to her own exclusive wants, and not mixed up with supplies to sustain the broken down fortunes of a bankrupt associate. With the establishment of this fact, the remainder of our task will be

easy ; as, from this period, we are furnished with authentic accounts, annually laid before Parliament, the results of which, as far at least as regards the revenue or political concerns admit of no misconception.

Although this highly important fact had escaped the notice of the principal authorities in England, the affairs of India, subsequent to the acquisition of the Dewanny, would seem to have attracted considerable attention on the part of the legislature. Mr. Moreau informs us that, from the year 1765 to the peace of Paris in 1783, almost every session of parliament was productive of new laws intended to secure the due appropriation of the Company's annual receipts ; to simplify their government abroad by establishing a proper subordination between their different Presidencies ; to guard their commerce against the illicit practices of their own servants, by subjecting them to a stricter responsibility ; and by rendering them amenable to the courts at home, as well as the tribunals specifically appointed for the administration of justice abroad.\* But these statutes contain a great deal more than is here adverted to, as will be noticed presently.

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\* Moreau, p. 8.

The series is continued in Russell's volume of East India Acts; but in a more complete state, and down to the latest period, in Tyrwhitt and Tindal's Digest of the Statutes. Still in no part of the parliamentary proceedings do we find any specific enquiry, or attempt made, to ascertain the origin, or real cause of the Company's debts.

In 1793, Mr. Dundas's eloquence, or rather, as Mill observes, his " confident assertions, " so potent in men of influence and power to " captivate the general mind with a prospect " of Indian prosperity, had generated a belief " that a great fountain, whence a perennial " stream of wealth would flow upon the British " nation, was by the wisdom of its rulers secured to that nation in India. Estimates " were formed with all the care of accuracy, " or rather of moderation, by which it was " made to appear that the surplus, exhibited " by the accounts of the year immediately " passed, would, in future years, rather increase than diminish. And with profound " solemnity an appropriation, as if for perpetuity, was proposed of a *large superabounding sum which would, it was said, be annually received from India.* The eyes of men were " successfully dazzled; and when Mr. Dundas called out to them, ' Will you stop the

“ tide of so much prosperity for untried theories ?” those who knew but little either about the theory, or the practice of the case, that is, the greater number, were easily made to believe, that there was a great certainty of securing what they were told was the actual influx of wealth, if they persevered in the present course ; a great danger of losing it, if they allowed themselves to be drawn, by delusive prospects, into another.” \*

Under these solemn assurances, and the general belief of their being well founded, it was easy to persuade parliament, that it became their duty to make a just distribution of this “ perennial stream” which seemed to promise an inexhaustible harvest of fruits. It was accordingly provided, that the *surplus revenue*—after defraying all charges of a military nature, the interest on debt, and the civil establishments—should be appropriated to provide investments to the amount of one crore of Rupees annually at the least, with liberty to encrease the said investments, in proportion as Indian debt should be redeemed, discharged, or transferred from India to Great Britain ; and lastly, in payment of debts in India, or for other purposes ; whilst

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\* Mill, Vol. iii. p. 364.



The profits of trade, and produce of investments, were appropriated :

First—To pay bills of exchange, and other current charges and debts, &c. except the bond debt.

Second—A dividend of 10 per cent. per annum on the capital stock of the Company, or 600,000*l.* per annum.

Third—500,000*l.* per annum in discharge of bills granted for transferring the India debt to England, until reduced to two crores of Rupees.

Fourth—An annuity of 500,000*l.* a year to the public.

Fifth—The surplus to be applied in augmentation of the fund for reducing the India debt to two crores, as above.

Sixth—To pay other debts of the Company, except the bond debt of 1,500,000*l.*, or to extend the Company's trade.

Seventh—Of the remainder, one-sixth to be applied to encrease the annual dividends ; and five-sixths to be paid into His Majesty's Exchequer, to form a guarantee fund, to accumulate with interest, until it should amount to 12,000,000*l.* The interest then to be a guarantee for the dividend of 10 per cent. per annum ; and the principal a guarantee for the capital stock, at 200 per

cent. ; subject to which, the fund to become the property of the public.

It thus appears, from the preceding appropriations, to have been unequivocally admitted, that a surplus revenue to a large amount, existed at this time in India ; whilst the home profits on the Company's trade were conceived to be equally exuberant. If this surplus, then, or these profits, or both together, were thus "super-abounding," it was but natural, one would think, to enquire whence the necessity for the united concern, or for either branch separately, to have contracted such a heavy load of debt.

If, indeed, we look back to authentic documents, which must at this time (1793) have been under the eye of the public authorities at home, it seems quite unaccountable that they should have so loosely examined into the real state of the Company's affairs. To say nothing of the valuable information contained in the reports of select and secret committees in 1772-3, and 1781-2-3, on India affairs, and particularly as to the certainty of a large and constant surplus revenue in India, the series of statutes between 1767 and 1793, contained a further mass of most important and instructive facts. All these acts of parliament, whenever touching on the territorial possessions in India, assert the paramount

right of the state to those territories, and the revenues thereof; and admit also the existence of a surplus, which Parliament accordingly assumes the absolute right of appropriating.

1767. By 7 Geo. 3. cap. 57. It is enacted, that the territorial possessions and revenues in India shall remain in possession of the E. I. Company, on their paying into the receipt of H. M. Exchequer 400,000*l.* per annum for two years.

1769. By 9 Geo. 3. cap. 24. The grant of territorial possessions is continued, on payment of the said 400,000*l.* per ann. for five years.

Of this sum only 2,169,399*l.* (or five years' amount instead of seven years) appear to have been paid.\*

1773. By 13 Geo. 3. cap. 64. The preamble of which states the Company to have been "labouring for some time past under great and unusual difficulties," and to be in urgent need of immediate relief, to save them, as would appear, from utter ruin, a loan of 1,400,000*l.* in exchequer bills is granted,† the participation money of 400,000*l.* per annum given up, as well as

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\* Bruce's Plans, &c. p. 329.

† Vide *Chap. III. p. 519 to 529*, for the distress and alarm of the directors, in consequence of bills drawn on them from India to a large amount.

the indemnification for duties on tea ; and the surplus of revenue and profits ordered to be applied to the liquidation of the aforementioned loan, and the diminution of the bond debt to 1,500,000*l*.

By 19 Geo. 3. cap. 61. The debt to government of 1,400,000*l*. being discharged, and the bond debt reduced to 1,500,000*l*., the territorial possessions and revenues remain with the Company for one year ; but the whole surplus, after paying a dividend of 8 per cent., to be reserved, to await a further agreement between the public and the Company. 1779.

By 20 G. 3. cap. 56. The territorial possessions are continued for another year with the E. I. Company ; but their affairs not being restored, the surplus of revenue and profits were again reserved, to await a further agreement, as above. 1780.

By 21 Geo. 3. cap. 65. The Company are required to pay into the Exchequer 400,000*l*. in discharge of claims of the public, up to March 1781. The territorial possessions are then continued as before, on condition, viz. 1781.

That the clear surplus of revenue after defraying all territorial charges and expences, and



All the clear profits of the Company, after providing for the current payments of interest, and other outgoings, charges, and expences, be appropriated to pay a dividend of 8 per cent. per annum; and three fourths of the remaining surplus to be paid into the exchequer, and to be at the disposal of Parliament.

By the same act the Company were to victual H. M. ships employed in India at their own expence; but government, owing to their distress, agreed to repay them in England one fourth of the amount for their own sole use and benefit; or, should profits be deficient, as much more as would suffice, with their profits, to make up a dividend of 8 per cent.

1782. By 22 Geo. 3. cap. 51. Profits are acknowledged to have fallen short of the dividend by 22,023*l.*; the sum of 100,000*l.* (part of the 400,000*l.* required by 21 G. 3. to be paid into the exchequer), and 396,466*l.* 2*s.* 6*d.* for customs, are stated to be due to government, adding—"The said Company being still in distress, it is fit the said payments should be postponed"—these payments were accordingly postponed until April, 1783.

1783. By 23 Geo. 3. cap. 36. The preceding debts are

found to be still unpaid ; that 42,105*l.* 6*s.* 10*d.* for customs had since accrued, and that 23,000*l.* more would fall due in July 1783 ; and “ the Company (it is “ added) having become *much distressed* “ in their affairs at home, and applied “ to parliament for relief, having been “ obliged to postpone many other of their “ commercial debts,” these sums are again postponed ; and the Company empowered to encrease their bond debt in the sum of 500,000*l.*

By 23 G. 3. cap. 83. It appears that the Com- 1783.  
pany owed 644,743*l.* 17*s.* 2*d.* for customs ; that 270,000*l.* more would be due by 10th December, 1783 ; that the 100,000*l.* (part of the 400,000*l.* due in 1781) was still unpaid ; that from March 1782 to March 1783, profits were deficient to pay the 8 per cent. dividend of 256,000*l.* by 255,813*l.*, in other words, that they had only 187*l.* of profit ; that “ the Com-  
“ pany were *much distressed* in their  
“ affairs at home, whence it was found  
“ necessary to grant further relief ;” wherefore the above payments were again deferred ; and the commissioners of the treasury empowered to assist the Company with a loan of Exchequer bills to

the amount of 300,000*l.* at 4*l.* 15*s.* per cent. interest; and until these debts could be repaid, and the bond debt reduced to 1,500,000*l.* the public were to forego all participation in the surplus revenue and profits.

1784. By 24 Geo. 3. sess. 1. cap. 35. The debts for customs, &c. being still unpaid, payment again postponed until May 1784.

1784. By 24 Geo. 3. cap. 34. The debt for customs being now 923,519*l.* 5*s.* 2*d.*, the debt of 100,000*l.* due in 1781 still unpaid, as well as the debt on Exchequer bills of 300,000*l.* the bond debt being 2 millions, and a deficiency in the year's profit of 141,941*l.* to pay 8 per cent. dividends; and finally bills drawn on the Company for 1,690,000*l.*, besides China bills, being to be met, and 300,000*l.* due on accepted bills;\* a further postponement of the debts to the public was granted till 1st Jan. 1786. Meanwhile a dividend of 8 per cent. was still authorized;† and the surplus revenue

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\* *Vide Chap. III. p. 533 to 536*, and the 9th Report of the select committee for the occasion of these bills.

† Throughout these difficulties, the 8 per cent. dividend was always carefully provided for, on which Mill observes, that the Company “borrowed money to divide among themselves, a “singular way for a trader of keeping out of debt.”—Mill, vol. ii. p. 693.

and profits ordered to be wholly appropriated to the liquidation of debts.

- By 26 Geo. 3. cap. 62. The Company were 1786.  
 authorized to raise money to relieve their distresses by selling or mortgaging 1,207,559*l.* 15*s.* being part of the debt of 4,200,000*l.* due by Government to the Company, to be held by subscribers on the same terms as the 2,992,440*l.* 5*s.*— other part of the said debt— were held; and likewise to *borrow*, or add to their capital stock, 800,000*l.* it being “ necessary and expedient, it is stated, that “ the Company should be thus enabled to “ raise a further sum of money than they “ otherwise could do, to extend their “ trade, and to discharge the demands to “ which they are liable.”
- By 28 Geo. 3. cap. 29. The Company were 1788.  
 empowered to raise 1,200,000*l.* on their bonds, “ in consideration of the state of “ their affairs, and to discharge debts.”
- By 29 Geo. 3. cap. 65. “ The affairs of the 1789.  
 “ Company again requiring the advance “ of a considerable sum of money” to meet pressing demands, they were accordingly authorized to raise the same by adding one million to their capital stock; and
- By 33 Geo. 3. cap. 47. To add another million 1793.  
 to their capital stock for the same purpose;



thus borrowing, or adding to capital, (another name for borrowing) no less a sum altogether, from 1773 to 1793, than 9,587,559<sup>l</sup>.\* which, together with all the surplus revenue of India during the period, was applied) as manifested in the preceding statutes (and therefore wholly sunk. in the discharge of the Company's commercial expenditure and debts.

But this was not all. The Committee well knew that, from 1793 down to the period of their own sitting in 1812, frequent applications continued to be made by the Company to Parliament for relief, under commercial difficul-

\* This sum is made up as follows :

Borrowed in 1773 of government .....	1,400,000
Addition to bond debt in 1783 .....	500,000
Borrowed of government do. ....	300,000
Mortgage of annuities in 1786 .....	1,207,559†
800,000 <sup>l</sup> . added to capital do. yielding.....	1,240,000
Addition to bond debt in 1788 .....	1,200,000
One million added to capital in 1789, yielding..	1,740,000
Do. do. 1793, do.....	2,000,000

Total.....£9,587,559

Exclusive of loans from the Bank, which, in as far as the same or other loans were repaid, could only be so discharged by the whole surplus revenue of India being left, as seen in the statutes above quoted, at the disposal of the Company.

† Whether any or what money was raised on this security is not stated. The whole sum still stands in the public accounts, as “ due by Government to the Company.”

ties ; that with a large surplus revenue in India, which they themselves fully admit, not one of the grand anticipations of Mr. Dundas in 1793, (*p.* 593-4.) with a trifling exception in the two succeeding years, of 250,000*l.* each into His Majesty's Exchequer, had even a beginning ; that even this trifling attempt was mere delusion, for, in the same year, or 1794, the 33d of the King, cap. 47., having required the bond debt, then 3,200,000*l.*, to be reduced to 1,500,000*l.*, in the attempt to do so, and to make shew of a payment into the Exchequer, further distress occurred, and a fresh application to Parliament for relief ; on which the Company were released from further reductions of the bond debt, its limit being extended to two millions, with liberty to borrow one million more.\*

The Committee also knew that, in 1797, the Company were empowered to add two millions more to their capital stock ;† but this was not availed of for the plainest of all reasons, that additions to capital were generally required by Parliament, to be employed in reducing bond debt — a salutary restriction which was afterwards repealed on account of the Company's encreasing difficulties.

From 1793 to 1795, the bond debt appears

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\* 34 Geo. 3. cap. 41.

† 37 Geo. 3. cap. 31.

to have exceeded two millions. From 1796 to 1804, it was kept under two millions. After that year, a progressive encrease appears; so that in March 1807, it amounted to 2,882,775*l.*, when the Company were empowered to raise a further sum on bond of two millions, so that the limit of the bond debt was thus extended to 5,000,000*t.*\*

The bond debt being on the 1st of March 1810, 4,900,000*l.*, and the Company still in distress, they were further empowered to borrow two millions more on bond; thus making the limit of the bond debt seven millions.†

It must also have been known to the Select Committee, that the Company were obliged, in 1811, to borrow from Government in Exchequer bills 1,500,000*l.* more; and that their bond debt, on the 1st of March 1812, had encreased to 6,565,905*l.*; and in all probability further known to them, that in 1812, the Company had been obliged to borrow 2,500,000*l.* from His Majesty's Government to meet pressing home demands.

With these important facts, thus within the ken of Parliament and of the Committee—with a series of commercial embarrassments, from year to year, pressed on their notice,

\* 47 Geo. 3. sess. 2. cap. 41.

† 51 Geo. 3. cap. 64.

and arising in two particular instances from the necessity which the government of India had unhappily imposed on the Directors of *paying for some of their investments, instead of getting the whole for nothing*—with scarcely a fraction of the known surplus revenue of India passing into His Majesty's Exchequer, but, on the contrary, appropriated to discharge the Company's commercial debts—with a full knowledge of the many millions borrowed, or raised under the authority of Parliament, to relieve the distress of their home affairs, and to save them from impending bankruptcy—with such plain indications before the Committee of the prosperous state of territory, and the beggary of commerce—it is, I repeat it, unaccountable that no suspicion should have been excited, either in 1793 or in 1812, as to the commercial origin of the Company's embarrassments and debts. Suspicion however slept. Mr. Dundas pronounced the Indian debt to be territorial; and territorial it was accordingly voted, and enacted, to be, without further consideration or enquiry, as to its real source.

It is foreign to the object of this chapter to examine the discussions which took place in 1793, as to the future administration of the British possessions in India; but it will not be



irrelevant to notice certain principles that were then established, and admitted on all sides, viz.

That the Company are, of right, by virtue of successive charters, a body corporate with perpetual succession, that is, entitled to remain a body corporate to carry on trade to the East Indies upon a joint stock, as well as His Majesty's other subjects. But

“ That all acquisitions, territories, &c. made by arms, or by treaty by the subjects of this realm, do of right belong to the state.”\*

A delegated authority was thereon granted to the Company to administer the political affairs of India for specified periods; during which it was intended and declared that they should remit, through their trade, the *surplus* revenue of the Indian territories, so that the said *surplus* might be “ made to flow home for the benefit of the proprietors, and of the public at large.”†

In respect to the Company's right to be a

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\* Opinions of Mr. Yorke, Attorney General, and of Mr. Pratt, Solicitor General.

† Bruce's Plans, p. 5 and 187. *et seq.* On this occasion Mr. Dundas “ succeeded in persuading Parliament and the nation, that India had fairly begun to be, what India would continue to be, a *vast source of wealth to the nation*, affording a *surplus revenue* sufficient to enrich the East India Company, and contribute largely towards the maintenance of the British Government itself.”—Mill, vol. iii. p. 362.

perpetual trading Company, I presume it requires no argument to prove, that the power which invested them with this right—avowedly at the time to promote the public good—may, when the public good shall obviously require it, with equal justice and propriety, cancel or repeal the right.

The other principle had equal reference to the best means of promoting the public benefit. If the splendid anticipations of Mr. Dundas had been realized—if, out of the produce of investments at home, the Indian debt could have been reduced, as proposed, to 2 crores of rupees — if the annuity of 500,000*l.* per annum to the public had been paid—if the other debts of the Company had been paid, and the bond debt permanently reduced to 1,500,000*l.*—and, if the guarantee fund of 12 millions, or any part of it, had been made up, some plea might have been raised to justify so improvident an appropriation as a crore of rupees annually out of the territorial revenues of India ; it might, in such case, have been admitted, however unwise the means, that the object had been partially attained. But unhappily every one of Mr. Dundas's proposed appropriations of surplus profits resulted in disappointment. Two half-yearly payments, of 250,000*l.* each, on account of the annual 500,000*l.* to be paid

into His Majesty's Exchequer for the use of the public, were made in 1793-4 and 1794-5, when the "perennial stream" ceased to flow, and has been dried up unfortunately ever since.\*

The great error in 1793, lay in continuing the union of territory and commerce in the same hands. It might easily have been foreseen, that when the legislature authorized commerce to help herself from territorial funds, she would readily do so (and more especially when lacking funds of her own) without any nice regard either to measure, or the convenience of the contributor. It might as truly have been foretold that funds, thus easily procured, would be heedlessly, and wastefully, expended. In administering the affairs of the union the first consideration has always accordingly been the provision of adequate investments, to supply the Company's wants at home. The Court of Directors had, as we have seen (*p.* 525.) previous to 1793, peremptorily enjoined their government abroad, (and they have uniformly acted on the injunction since,) "*that every other consideration was to give place to the essential and primary objects*

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\* Vide Fourth Report Sel. Com. House of Com. 1812, with Appendix 48, and remarks thereon, in Rickards' Speeches, Part III. p. 208. *et seq.*

*“ of their investments.”* We have also seen (*p.* 579.) how the provision of these investments by draining the revenue treasuries led to the accumulation of debt. When therefore loans were raised abroad, they were without scruple placed to territorial account, for no other reason, that can be conceived, excepting that it was a hopeless matter to expect either principal, or interest, could be defrayed by the bankrupt partner of this united concern.

If then we were to enquire what benefit had resulted to the Proprietors of India stock, or to the public, from this happy, and united administration, the simple, if not only, reply must be, that the Proprietors of East India stock have with the aid of revenue, continued to enjoy their 8 and 10 per cent. dividends throughout the period, leaving to the public, with their territorial possessions, to bear all the sins of the union during its continuance, and the consequent responsibility attaching to its erroneous enactments in all time to come.

These, in a few words, are the simple and obvious results of the unnatural system of uniting revenue, and commerce, in the same hands. It has been argued, in defence of this system, that “the rendering the revenues of those (Indian) territories subservient to investments was a necessary consequence of



“ the acquisitions being made by a commercial “ body,”\* and a string of vague and crude reasons has been thereon founded to endeavour to prove the impolicy, in the peculiar case of the East India Company, of separating the united concern ; and the impossibility of remitting the *surplus* revenue to England for the benefit of the public, except through the medium of the Company’s trade. That a commercial body making conquests should, if uncontrouled, apply the resources thereof to its own benefit is natural enough ; but no excuse for government continuing so unnatural a union, in defiance of sound principle, and after its evils had been made manifest to all eyes, excepting those which might, but *would not*, see.

It may also be contended that the application of revenue to the provision of investments has been specially legalized, at least ever since the act of 1793. True, it has been legalized ; but it would be difficult to consider this any other than an act of consummate folly, were it not, at the same time, admitted that such an appropriation of the territorial resources was conditionally legalized for the attainment of some other object, or objects ; which objects, in the act of 1793, are stated

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\* Bruce’s Plans, &c. p. 42.

to be the several appropriations of the surplus produce of the investments noted above. Now as none of these objects have been realized, beyond an amount not worth noticing, it follows, that the condition, or object of the appropriation has not been fulfilled; consequently that the advances of revenue to commerce can only be considered in the light of a loan or debt, which commerce ought to pay with interest, or duly to account for, to territory from the first advances in 1765, down to the present day.

Propped and supported, however, by this unnatural aid, the Company's trade proceeded, as might be anticipated, on a scale proportioned always to their home wants. It is a remarkable fact too, that in all the accounts presented by the Company to parliament, there are none that exhibit anything like a *precise* account of commercial profit or loss on the whole concern—none indeed from which any such exact account can be collected. Most, if not the whole, of these documents are mere estimates, with a multiplicity of avowed omissions, which none but the accountants in charge of the Company's books could accurately supply. The following statements are accordingly compiled from various documents, dispersed through a mass of printed official papers, delivered in to meet

some particular purpose, or some required object; and if inaccuracies shall be discovered in them (though trifling inaccuracies are of no importance as to the general result of the questions here discussed) the imperfect or unconnected state of the documents quoted must be allowed as an excuse.

Invoice amount of goods, stores, and bullion exported by the Company to India and China, from 1793-4 to 1808-9, or 16 years.—App. 5.

Third Report—with 10 per cent. added for charges ..... £38,154,872

Minus—*Stores*, as distinguished from woollens, metals, wine, &c. or goods for sale.—App. 35, Fourth

Report ..... 5,855,116

Net commercial supply in goods

and bullion for 16 years ..... £32,299,756

Bills of exchange on Court of directors

from 1793-4 to 1808-9, or 16 years

—minus the column of India debt.

—App. 6. Third Report ..... £14,940,916

Less bills in favour of the Court for

the same period.—App. 38. Fourth

Report ..... 994,073\*

13,946,843

£46,246,599

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\* This sum includes bills on government in favour of the Court. But in respect to the preceding sum, or bills on the Court, the appendix quoted contains the following remark:—  
 “ It has been found impracticable to distinguish the whole  
 “ amount drawn for *general purposes*, from the principal and  
 “ interest of Indian loans, no complete separation having

Brought forward .....	£46,246,599
Deduct losses on outward voy- ages.—App. 7. Third Report .....	448,311
Total net supply from England to India in 16 years.....	£45,798,288
Invoice amount of goods <i>sold</i> by the Company from 1793-4 to 1808-9, or 16 years.—App. 25. Fourth Re- port of Sel. Com. 1812 .....	£47,489,995
Add amount lost on homeward voyage.—App. 47. Third Rep.	1,371,788
Do. commercial charges not add- ed to invoices.—App. 12. Third Report .....	2,783,848
Total returns by India and China.....	£51,645,631

From 1809-10 to 1828-9, or 19 years.

Invoice amount of goods and bullion exported by the Company to India and China, from 1810-11 to 1828-9, being 19 years.—No. 28 of “Papers relating to the finances of India, and the trade of India and China,” p. 66-7 .....	£24,625,583
Add for stores as per do. do. do. ..	*9,795,083
	£34,420,666

“been made in the advices; but the column of Indian debt  
“shews the amount drawn on that account, as far as can be  
“positively specified.” We shall probably, therefore, not be  
far wrong in allowing the surplus of one appendix to be set  
against the surplus of the other.

\* There are no means, in this instance, of separating the  
political stores from commercial stores, as in the former state-  
ment.



Brought forward . . . .	£34,420,666	
Commercial bills of exchange on court of directors for same period.		
Nos. 33 and 34 of Papers, &c. . . . .	£3,547,262	
Less bills in favour. Nos.		
29 & 30 do. do. . . . .	239,064	
	<u>          </u>	3,308,198
Net commercial supply to India . . . . .		£37,728,864
Invoice amount of cargoes from China to England from 1814-15 to 1827-8, being 14 years.—No. 20, p. 34 of “ Papers relating to the trade of “ India and China, June, 1829.” ..	£26,611,422	
Average * of preceding amount for five years wanting to complete . . . .	9,504,078	
Invoice amount of cargoes from India (Bengal, Madras and Bombay only) from 1811-12 to 1826-7, being 16 years.—No. 40 of “ Papers relative “ to the finances of India, Feb. “ 1830,” at 2s. per current rupee..	22,010,372	
Average * of preceding amount for three years wanting to complete ..	4,126,944	
Total imports from India and China for 19 years . . . . .		62,252,816

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\* These averages are taken for want of means to state the exact amount of returns in the years specified.

The period of the latter statement is taken from 1810-11 to 1828-9, instead of from 1808-9 to 1827-8, because the documents referred to extend no farther back than the first mentioned year.

Brought forward . . . .	£62,252,816
Commercial charges not added to invoices.—Nos. 10 and 11 of Papers, Feb. 1830 . . . . .	935,212
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Total returns from India and China in 19 years . . . . .	£63,188,028

The preceding accounts are only calculated to give a general view of the course, and value, of the Company's trade. Precision in respect to their commercial operations, or the results, is, as before observed, utterly unattainable from the documents in print. In the foregoing statements, for example, and the accounts from which they are taken, cargoes and charges — goods and stores — bills of exchange commercial and political—are so blended as to render accurate distinction impossible. “Commercial charges not added to Invoices” constitute a separate head in the Company's accounts; but no man, acquainted with the Company's commercial establishments and buildings abroad, can for a moment conceive it possible that they can be maintained at so small a cost as that above given. The supplies to Bencoolen, St. Helena &c. are stated in the first period to amount to 3,732,393<sup>l</sup>.<sup>\*</sup> and in the second period to

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\* App. 51, Fourth Rep. Com. House of Com. 1812.

4,134,278*l.*,\* together 7,866,671*l.* one half of which, according to the opinion of the highest authorities who have examined these accounts, ought to be borne by the commercial head. There is besides a most costly establishment in China, of which, although part be paid at home, the remainder must necessarily be disbursed abroad. These charges therefore, properly adjusted, would add to the weight which ought to fall on commerce, but which is now, as I conceive, improperly charged on territory.

On the other hand the political charges paid in England may be considered in the nature of a supply to India. In the first period these charges are stated to amount to 5,572,517*l.*† for 16 years, and in the second period to 26,738,763*l.*‡ for 19 years.

It is not to be expected that the political charges in England, and the surplus revenue abroad, would balance each other; for these, with many other charges, including bills for principal and interest of India debt, are defrayed in England from the sale proceeds of homeward cargoes. An exact application

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\* No. 2, p. 15, of Papers relating to the finances of India, Feb. 1830.

† App. 46 to Third Rep. of Sel. Com. House of Com. 1811.

‡ No. 2, p. 15, of Papers relating to the finances of India, &c. Feb. 1830

therefore of the surplus to particular payments could not be given without reference to the Company's books, which, as before observed, are not accessible to the public.

All therefore that can, with certainty, be collected from official accounts and records in print—and this constitutes the most important question of the whole inquiry—is, that ever since the year 1765 territory, in other words the revenues of India, and loans, have furnished the only funds on which the Company's trade either was, or could be, carried on. Their own subscribed capital, first of 3,200,000*l.*, and afterwards of 7,780,000*l.*, had long vanished, or been absorbed by losses, wasteful expenditure, or in dormant and unproductive property. The “*revenue investment*,” to the extent of one million sterling and upwards per annum, was the constant boast of the governments of India, previous to 1793. A large surplus revenue, with expectations of increase, was also the boast of Mr. Dundas (*vid. p. 592 and 606.*) and its application to investment the ground work of his proposed magnificent appropriations; (*vid. p. 594.*) and this application, sanctioned by successive Acts of Parliament, has been the invariable practice to the present day. As far then as published records go, we are



authorized to conclude, that the revenues and loans of India constituted then, as now, the Company's trading capital; that territory furnished the only means of enabling the Company *not only to make home payments, but to furnish exports in return to India*, as once openly avowed (*vid. p. 526, Ch. III.*) by the Bengal Government; and that the same fact was equally and unequivocally confirmed by the Court of Directors in their memorable declaration (*vid. p. 521. Ch. III.*) that their "*revenue investments*," and the proceeds thereof in England constituted "*the only channel of their receipts.*"

When therefore the Act of 1813 supposes the political or territorial payments in England to be an advance from real commercial funds, which the governments abroad were required to replace, in the following year, by corresponding advances to the commercial department, they completely reversed the order of facts. The original advance proceeded clearly from territory; without which commerce must have stopped payment long ago in England. The proof of this most important fact seems irrefragable; and consequently to confirm Mr. Warren Hasting's declaration (*vid. p. 318. Ch. III.*) that territory "*has alone supported the Company's commerce,*" or,

as he says in another place, furnished it with “*investments virtually for nothing.*”

It would be a vain task to attempt to exhibit any thing like a balance of profit or loss on the preceding series of commercial adventures. The omission of charges, which uniformly and habitually occur in the Company's estimates of commercial profit, has been more than once noticed in these pages. In one of the plans for British India detailed by Mr. Bruce\* there is a remarkable confirmation of our remarks on this head. It is too long for a quotation; but the reader may refer to it from the following abstract. An estimate (for we have nothing but commercial estimates any where) of the Company's trade is presented, taken as an average from aggregate amounts in preceding years, in which it is computed that 1,110,000*l.* are annually required to “provide investments in India,” and 1,500,000*l.* to “provide investments in “China;” that the sale proceeds of these investments in England would average 4,700,000*l.*; and that after deducting prime cost, with no other charges than, “freight, “customs, and charges of merchandize in “England,” this would leave a profit on the

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† Bruce's Plans, &c. p. 226. *et seq.*

India trade, of .....	£90,000
And on the China trade of .....	375,000
To which is added profit, being the duties collected on private trade.....	70,000
And interest on debt due by government ..	36,226
Total.....	£571,226

And this is called their home profit, or commercial revenue.

But it is added, that on framing this estimate, freight is taken at the reduced rates, payable in time of peace, and no allowance made for the hazard of the seas, or of enemies, for expences of recruits, and pensions to superannuated officers and servants, together per ann.	40,000
For annual interest on India debt transferred home .....	105,000
For do. on 3,200,000 <i>l.</i> bond debt .....	128,000
For dividend on capital stock of 5 millions at 8 per cent. ....	400,000
	<hr/> 673,000

Leaving, therefore, an excess of charge, of....£101,774

To this may be added the charges of merchandize in India, which seem to be omitted in the estimate, together with the “commercial charges not added to invoices.” The latter is stated in the appendices to *Chap. II.* to amount to 121,299*l.* per annum, though greatly, as I conceive, under-rated.\* The es-

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\* In the Second Report of the Committee of Secrecy of 1772, p 30, the expence of commercial buildings and forts, between 1757 and 1772, is stated to be 3,728,552*l.* or per ann. 248,570*l.*

timate also supposes neither profit, nor loss, on the export trade ; although, in other official documents, a considerable loss is admitted. With these additions it is manifest that the whole loss on the Company's trade at this time, or deficit of what is called their commercial revenue, must have amounted to several hundred thousand pounds per annum, and may therefore easily account for the constant accumulation of debt.\*

The difficulties of unravelling the Company's commercial accounts were not confined to this period. A Select Committee of the House of Commons was employed, from 1809 to 1812, on a very laborious investigation of the Company's affairs ; and their five Reports, with their several appendices, contain a mass of important and useful matter. Valuable, however, as these documents are, the two most important points of the whole enquiry did not attract so much of the Committee's attention as could be desired ; and being left

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\* In page 13 of the Fourth Rep. of the Sel. Com. of the House of Commons in 1812, there is a similar estimate of profit. These documents are referred to as being of authority, to shew that our remarks, in respect to the habitual omission of real charges, are fully borne out. Mr. Moreau's Tables, p. 24, contain another proof of the same fact as to the habitual omission of actual commercial charges on the Company's estimates of profit.



by them in an imperfect state, I shall chiefly devote to these points the remainder of the present chapter.

First—A prominent feature in all the Company's accounts, which have been submitted to the public since 1793, is a constant and striking tendency to lighten the commercial head of every possible charge, for which the slightest pretext can be devised for transferring it to the territorial head; consequently to load territory with a mass of charges, which are neither of a territorial origin, or character; and by afterwards blending the whole in one account, to render the difficulties of analyzing it insurmountable.

Secondly—The absolute certainty of a surplus revenue, which flashed upon the Committee at the commencement of their labours, and which they must have been at once sensible was utterly incompatible with territorial debt; but which important fact the Committee had no sooner discovered than it was consigned to neglect, and never afterwards followed out, or noticed in the subsequent course of their enquiries.

Under the first of these heads may be noticed the delusion through which the Company's debts abroad were conceived to be territorial, and accordingly charged by the Act of 1793, both principal and interest, on the

revenues of India—an error which could never have been committed by Parliament, had this matter been properly investigated, and well understood ; neither could it have occurred, if territory and commerce had been at this time two separate persons, or separate bodies, vigilant in the protection of their respective interests and rights. The union of these two branches in one body is, indeed, the sole cause of that mystification, and obscurity, which pervade the whole of the Company's commercial accounts submitted to the public ; which the Select Committee of 1809 to 1812, declared themselves utterly unable to unravel ; which has defeated the most persevering industry of individuals ever since that time, to analyze and explain ; and which, as the accounts are still exhibited to the public, would defy the skill of the ablest accountant in existence to reconcile with known and undeniable results.\*

Another charge in the Company's accounts which attracted the attention of the Select Committee in 1809 to 1813, is the expense of

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\* Mr. Bruce in admitting this fact gives the following reason for it. “ The conclusion therefore is, that the revenues from India could only be realized through the trade, [rare discovery !] “ and that the whole of the Company's concerns is made up of “ parts mutually supporting each other, and incapable of being “ reduced to the mercantile idea of a distinct profit and loss “ from each transaction.”—Bruce's Plans, p. 322.

maintaining the factories of Bencoolen, St. Helena, and Prince of Wales's Island. The two former were never, from their first establishment, anything more than commercial stations; the one for the purchase of pepper, and the other for the accommodation and refreshment of the Company's homeward bound ships. Previous to 1765, these settlements were supported from commercial funds, there were then no other in fact to bear the charge; but no sooner did revenue abound from the Dewannee grant, than the charges of the two factories were transferred to be borne by territory. Upon fixing a settlement at Prince of Wales's Island with so good a precedent for a guide, the expences of this settlement also were unhesitatingly placed to the same head, although the object of the establishment was its becoming a commercial depôt for goods for the China market.\*

The Select Committee were of opinion that these charges fairly considered ought not to be wholly borne by territory. In their nature, as well as their origin, they were at least partly commercial; and in this view the committee proposed an equal division of the charges between the territorial and commercial

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\* Bruce's Plans, &c. p. 310.

branches ; but this not satisfying the Directors, the Committee adopted a curious alternative of raising in the accounts for these particular charges a separate head termed “Doubtful,” and to this head they were accordingly placed by the Committee. But doubtful, or not doubtful—the Directors cared little for the scruples of others, or the equitable division which the Committee had proposed, and though the Board of Controul, in their boasted plan for the separation of the account, also ordered these charges to be divided, still the whole expense of maintaining these commercial factories has been uniformly continued as a territorial charge to the present day.\*

The expense of commercial buildings, which are numerous all over British India, nowhere appears as a separate, or as a commercial charge ; whence there is but too much reason to infer, that this also is included among the burdens of territory to make the load of commerce light.

In the Second Report of the Committee of Secrecy, we have as before observed, (*p.* 620.) an account of the cost of buildings and fortifications,

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\* The proceedings of the Sel. Com. will be found in their Fourth Report of 1812, App. 51. In the plan for the separation of accounts, the board, speaking of Bencoolen, say, that the military establishment should be charged to the political head, and the civil establishment to the commercial.



amounting to 3,728,552*l.*, all of which, or as much as was disbursed previous to the Dewanny grant, must have been defrayed out of commercial funds. In later times we have no separate account of the cost or repair of commercial buildings as attaching to that department, and if not borne by territory, the contrary should at least be shewn.

The Committee also notice loans raised in India for commercial purposes, but without placing them to the commercial head, or attempting to relieve the territorial of any portion of the whole burthen. In their Second Report, p. 65., they observe that, “ the sources  
“ from which funds have been derived, from  
“ year to year, for the supply of the combined  
“ operations of government and commerce,  
“ were the revenues of the territories, and supplies from Europe either in bullion or exports, or by bills on the Court. When the  
“ aggregate amount of these heads has not  
“ been sufficient, to defray the expenses of  
“ Government, to provide investments, and to  
“ remit supplies to China, money has been  
“ raised on loan.”

In p. 359 of their Third Report, the Committee again notice the monies raised by loans, but merely to state “ the impracticability of  
“ distinguishing what part of these monies  
“ was applied to commercial, and what part

“ to political purposes”—adding, that in the thus blended state of the Company’s accounts, “ the question of a distinct view of the proportion of the Indian debt which is to be “ termed political, or commercial, must remain undecided.”

With the conviction on the Committee’s mind, that a part at least of the Indian debt was commercial, and with the mass of recorded facts bearing on this matter within the Committee’s reach, it is surprising they should have so easily dismissed a question of vital consequence to the whole of their enquiry. They must have known that a large surplus revenue existed in India after paying every description of territorial charge averaging, from 1765 to 1793, about a million sterling per annum ; that the Indian debt during this period had encreased from 756,680*l.* in 1765 to 7,971,665*l.* in 1793, including floating debt;\* that with so large an *annual* surplus of revenue it was obvious to common sense, that this encrease of debt could not possibly have arisen from territorial causes ; and consequently that what was not territorial, must necessarily be commercial. Still the Com-

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\* *Vide p. 581. supra.*

mittee, having, as above, satisfied themselves of the impracticability of appropriating the debt in due proportions to either branch, coolly suffer it to remain where they found it, wholly saddled on territory, although acknowledging at the same time, that a portion at least, actually belonged to commerce.

In 1784, the Board of Controul was established, and the expense of that Board, by the subsequent act of 1793,\* was expressly made a commercial charge. The Court of Directors however thought differently on this head, and perhaps with greater reason, as to the nature of the expence, than in respect to either of the others beforementioned; but the placing of it among territorial charges† in the teeth of an act of Parliament to the contrary, is a striking proof of the uniform propensity of the Court of Directors to favour one cherished branch of their concerns at the expense of the other; to lighten in fact the weaker member, by loading, or rather overloading its stronger associate.

With all this anxiety to transfer commer-

\* 33 Geo. 3. cap. 52. s. 5.

† In App. 46 to Third Rep. of Sel. Com. of 1811, this charge will be found classed under the territorial head.

cial loads, to be borne by territory after the acquisition of the Dewannee, it would have been but common justice to concede to territory that which the rights of sovereignty would clearly entitle it to receive, viz. the same customs or duties on the Company's trade which attached to the trade of individuals. It has always been a favourite object with the Company, even before the acquisition of territory, to get their own trade exempted from duties — in neighbouring states. We have seen (*p.* 470.) that this object was once deemed worth the expence of an embassy to the court of the Great Mogul ; and that the privilege then procured was a main cause of those disgraceful scenes in Bengal, which terminated in our acquiring dominion in the East. With the possession of sovereignty in the hands of the Company, they naturally continued to their favourite commerce, the exemption from duties, so that commerce has benefited, and revenue lost the sum total of these duties from the year 1765 to 1813, inclusive, when the Act 53 Geo. 3. c. 155. s. 24. required them to be imposed on the Company's trade. How, or in what manner, territory has the benefit of these duties — whether in the shape of actual cash payments, or by credit in



account — since 1813, I cannot tell ; but it is clear, that in any adjustment of accounts between territory and commerce, previous to 1813, founded on the principle of separation prescribed by that act, territory should, in common justice, be credited with the amount of these duties. As being a debt due by commerce to India, it would go a great way as a set-off against the payments made by commerce for territory in England. The amount cannot be collected from the documents in print.

Let the reader, however, apply this principle to the attempt made in June, 1830, (*vide p. 484. Chap. II. and the Appendices, A.B.C.*) to prove the origin of a debt asserted to be due by territory to commerce, and he will at once see, in addition to the other facts there stated, how completely the attempted explanation fails — but

Secondly — The most important feature in all this enquiry, and which it behoved the Committee of 1809 to 1812 to have followed out, above all others, to a satisfactory and perspicuous issue, but which they unaccountably neglected to do, was the ascertained fact of a surplus revenue throughout the period of their enquiry — or from 1793 to 1808-9. They

first advert to the investigation of this point, which took place on the renewal of the charter in 1793, when every exertion, they say, was made to discover the extent of the Company's resources political and commercial ; and accurate calculations were thereon founded, whence it was estimated that, in 1792-3, there was a large surplus of territorial revenue, after paying interest on Indian debt ; and that a principle was thereon established for the future application of the surplus produce of the revenue, which, on these calculations, was fairly expected to arise.\*

The Committee then proceed to state, that after paying every charge incurred in the government, or defence, of the possessions in India, but exclusive of supplies to Bencoolen, and other commercial charges, and interest on the debt, there was a clear surplus in 1793 of . . . . . £1,775,500

And that, on the same principle,

there would remain a surplus in

1808-9 of . . . . . 2,373,831

Whilst, in the intermediate years, a similar surplus existed with the exception of two years only, viz. 1805-6 and 1806-7 ; in which years

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\* Second Rep. p. 13, and App. p. 75 & 76.

the expense of the Mahratta war occasioned an excess of disbursement.\*

With these facts before the Committee in an early stage of their proceedings—with a full knowledge of the means thus possessed by territory to clear off, in a short time, the whole debt existing in 1793, from whatever source it may have arisen—and that with a large surplus in every successive year, but two, the subsequent encrease of debt could not possibly have arisen from *territorial* causes—how greatly is it to be regretted that the Committee should, at this stage, have dropped their investigation of so important a point. For, by this alone, they might have solved all the “difficulty,” the “obscurity,” the “impracticability,” they afterwards experienced in their attempts to exhibit a satisfactory view of the Company’s commercial operations; inasmuch as the Company, having only two concerns—the territorial and commercial—if a clear statement of all that belongs to one can be shewn, all that remains must necessarily attach to the other.

We must now advert to the financial state

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\* Second Rep. p. 60. This is a more favourable view than that which I have extracted from the official accounts, and which will be found in a subsequent page.

of the united concern for the remaining period, or from 1813-14 to 1827-8. By the 53d G. 3. cap. 155., the territorial acquisitions in India, and islands north of the equator, are continued in the government of the East India Company, together with their exclusive trade, until the 10th day of April 1834 ; but on the express condition, that these acquisitions, “ with the revenues thereof respectively, shall “ remain and continue in the possession, and “ and under the government, of the said United “ Company, subject to such powers and authorities for the superintendence, direction, “ and controul over all acts, operations, and “ concerns, which relate to the civil or military “ government, or revenues, of the said territories, and to such further and other powers, “ authorities, rules, regulations, and restrictions, as have already been, or shall hereafter be, provided by Parliament.”

It is also provided, in sec. 4. of this Act, that the corporation of the Company—that is, their right to trade on a joint stock in common with others (granted by 9 & 10 W. 3. cap. 44.) is not to determine at the expiration of the abovementioned period.

In virtue of the powers above reserved, the Act then proceeds to make appropriations of



the Indian revenue, and which are directed to be applied “ in the following order of preference, and to or for no other use or purpose, or in other manner whatsoever.”

First, In maintaining forces, &c. for the government and defence of the country.

Secondly, In payment of interest on Indian debt, for which *separate remittances, or consignments, to be made for such part as is payable in England.*

Thirdly, In defraying expences of civil and commercial establishments.

Fourthly, In liquidation of territorial debt or bond debt, (subject to a subsequent provision,) with the approbation of the Board of Commissioners.

Fifthly, To provide investment, or remittance, to England in each year, equal to the amount of payments from commercial funds at home, in the preceding year, on account of territorial charges, “ after deducting there-  
“ from the charges of the commercial estab-  
“ lishments, and all the commercial charges  
“ in India, which may have been paid from  
“ the territorial revenues in the same year.”

The profits of the Company in England, of which the most brilliant expectations seem again to have been entertained, are next ordered to be applied :—

First, In payment of bills of exchange.

Secondly, In payment of debts, interest, and other commercial outgoings (the principal of the home bond debt always excepted.)

Thirdly, In payment of a dividend of 10 per cent. till the Company's "separate fund" (*vide p. 587.*) shall be exhausted, and then  $10\frac{1}{2}$  per cent.

Fourthly, In liquidation of Indian debt, or of home bond debt, as the Court of Directors, with the approbation of the Board of Controul, shall direct.

The Act then goes on to provide for the payment of the  $10\frac{1}{2}$  per cent. dividend, previous to that of the territorial charges, and in the event of a deficiency of commercial profits at home to discharge dividends, the same is to be made good out of surplus territorial revenues;—after which, the 59th sec. provides,

Fifthly, That after the debt in India shall have been reduced to 10 millions, the surplus of territorial revenues and home profits shall be applied in repayment of the capital of any public funds which may have been created for the use of the Company.

Sixthly, To form a guarantee fund of 12 millions for the capital stock and dividends; after which, if any surplus remains, one-sixth to be at the disposal of the Company, and

five-sixths at the disposal of Parliament—and

Finally, Parliament deeming it, I presume, hopeless that payments would ever be made of the 500,000*l.* required by Act 33 Geo. 3. cap. 52., to be annually paid into the Exchequer, give the Company a quietus on this head, by repealing the provisions in that Act regarding it.

The 64th sec. of the Act of 1813, then enjoins a complete separation of the territorial and commercial accounts; which we shall first advert to, that we may see how far the appropriations of the Act have been made in conformity to this express injunction. The separation was enjoined, in consequence of the Select Committee of 1810 to 1812 being unable to submit to Parliament a distinct and separate view of the two branches of the Company's concerns, as the accounts were then constructed. The object of the legislature, therefore, in this enactment cannot be misunderstood; which was so to separate the accounts of territory and commerce, that each might be complete in itself; to avoid that blending of items, which to the Select Committee had been a source of inextricable confusion; and to cause advances and payments, on either side, to be as regularly debited and

credited in account, as if they had been made by, or in behalf of, two unconnected and independent bodies.

But it is sometimes an easier matter to evade an Act of Parliament than to make it; and, in this instance, the evasion is complete.

That the same interpretation was, at first, given to this Act by the Court of Directors, is evident from the instructions sent out by them to the Government General of Bengal, in their letter of the 6th of September 1813. In this letter the Court refers to the 64th section of the act as “directing the *entire* separation of the “territorial or political from the commercial “branch of our affairs.” The Court accordingly orders books to be kept, “so as to contain and exhibit the accounts of the territorial and political departments separately “and distinctly from such as appertain to, or “are connected with, the commercial branch “of our affairs, according to the letter and “spirit of the act.” Again — “We cannot “more distinctly explain our views of the construction of the sections of the act which now “have been brought under notice, than by observing, that although the management of the “whole as one concern remains with us, it is requisite that the political branch should be con-



“ sidered as an affair of government, the commercial as that of a mercantile transaction ; and by debiting and crediting in account the transactions between them in advances and supplies, as if they were absolutely distinct and separate concerns ; *so that accounts of receipt, expenditure, and balance, may be duly rendered by EACH RESPECTIVELY in the way required by parliament.*”

The Court of Directors contemplating at this time heavy drafts being passed on them from India on account of Indian debts, the interest of some of their loans being made payable in England, proceed to explain that these drafts are to be provided for,

1st, By the repayment in England of advances made on account of His Majesty’s government abroad :

2d, By monies received from merchants into the London treasury for bills on India :

3d, By advances to merchants in India on goods consigned to England, for which bills to be remitted ; and when these sources of supply prove insufficient, goods are required to be purchased in India, and consigned to the Court, to the amount of the deficiency ; on which head the Court further observes — “ In the event of a remittance being made through the channel of our commerce, the *transaction*

*“ must be considered entirely distinct and separate from our own immediate commercial proceedings, and brought to account accordingly. A separate invoice of the goods purchased by the advance thus made must be transmitted, as the proceeds in England are to be carried to account in direct connection with the political branch of our concern, being solely applicable to the liquidation of bills of a political nature.”*

Here we have a rule in the true spirit of the act of 1813 ; but it must be observed that this rule is just as applicable to all other territorial payments made in England, as to bills of exchange for Indian debt ; and contains the principle on which the territorial accounts ought to have been kept, and “ the receipt, expenditure, and balance, thereof duly rendered.”

The act moreover does not absolutely confine the remittance of territorial funds to goods. It might have been made in bills or bullion, &c. if more advantageous to territory ; but territory has had no option in the matter ; the remittance, or by far the greater part thereof, has always been made in goods, at the sole will and option of commerce, and with a view exclusively to commercial advantage.

In the plan afterwards concocted between the Court of Directors and the Board of Controul, for the separation of accounts, these principles seem to be wholly lost sight of. We find nothing in the plan applicable to this part of the subject but a few general remarks by both parties; no specific arrangement, or pro formâ statements, to show how “the receipt, expenditure, and balance” of each branch should be separately exhibited. All we find is, that an account was to be opened in the ledger, called “territorial account;” to be debited with all territorial payments made in England, and credited with all advances made to the commercial boards in India; that the political payments in England, together with the exports to India in one year, should constitute the funds for providing return cargoes to England in the ensuing year — thus amalgamating both branches as before; whilst, in the fifth article, relating to remittances to meet bills of exchange from India on account of Indian debt, the Board of Controul have the following remarkable passage. “In reference to “the several discussions which have taken “place on this subject, the Board have thought “proper to agree that an arrangement be “made on the following principles. The ba-

“ lance found remaining under this head of  
 “ account at the close of the year, after giving  
 “ full credit for all remittances received from  
 “ India in the course of the year, whether in  
 “ bills or certificates upon government, or  
 “ bills upon individuals paid or payable, or  
 “ in receipts from individuals for bills on  
 “ India, to be added to the amount of territo-  
 “ rial charges to be repaid from the political  
 “ treasury in India to the commercial depart-  
 “ ment there, and to be applied by that de-  
 “ partment at the option and risk of the Com-  
 “ pany. But the amount of this balance to  
 “ be converted into Indian currency at the  
 “ rate of exchange at which the bills may be  
 “ drawn, provided always, that, if, in any  
 “ year, the Company’s trade from India shall  
 “ not realize upon average 2*s.* 6*d.* the Sicca  
 “ Rupee, the political department shall be  
 “ debited for the amount of the deficiency,  
 “ which shall be found to have arisen on the  
 “ sum to which this head of account relates.”

Now if territory is intended by this article  
 to bear the loss of all that a remittance in goods  
 falls short of 2*s.* 6*d.* the Sicca Rupee, it ought  
 on the other hand to have the profit of all  
 that is realized above it; but the plan is silent  
 on this head. Territory has never the good  
 luck to be thought worthy of profit. It is



the loaded ass of the joint concern, and only kept to bear its burthens.\*

Whether the accounts in India are separated on the principle laid down in the

\* It is rather difficult to get at the real meaning of the Board of Controul in the above quoted sentence — if literally interpreted, we might for example,

Suppose a bill remitted in 1830 from India for interest of Indian debt—say 100 Rs. at 2s. per rupee	....£10	0
To be added to territorial charges paid in England in the same year	.....	10 0
Total	.....	20 0

An investment would have to be provided in India in 1831. to the amount of 200 Rs. (the same rate of exchange as the bill), which, if realizing to the Company a remittance of 2s. 6d. per rupee, would be equal to

.....	25	0
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And the difference, or 5*l.* would be commercial profit ;  
but if the goods only realized 2s. 3d. per rupee, or 22 10  
Territory would be debited with the difference, and  
have to sustain a loss of 2*l.* 10s. while commerce se-  
cures its 5*l.* profit as before.

If, on the other hand, the remittance should realize  
2s. 9d. the rupee, or

.....	27	10
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The whole profit would still, I presume, go to com-  
merce, as no provision is in this case made in favour of  
territory.

But this would be so flagrant an injustice to territory, that  
one cannot believe it to be the real meaning of the Board.  
Whatever other meaning, however, the sentence has, must be  
explained by those who framed it.

Court of Directors' letter of 6th Sept. 1813 we cannot exactly say, as the books of each presidency are not before the public ; but in the only annual account laid before parliament of the receipts and disbursements of the home treasury,\* (as will be seen presently) all is again blended. The chief item in this account is the sale proceeds of goods, out of which, with some other receipts, all payments territorial and commercial are made. It is consequently impossible to draw any satisfactory conclusion as to what portion of the goods belongs to territorial, and what to commercial, payments. And we are, consequently, as far removed as ever from any thing like accurate or true results of the Company's commercial operations, or from knowing how their territorial, and how their commercial, funds have been specifically or separately applied.

Our attention may now be directed to the appropriations of the Act of 1813 above particularized, and to the " order of preference"

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\* The reader will find these annual accounts compressed into one general statement, extending from 1815 to 1823-9, in " No. 21 of the Papers relating to the finances of India, " and the trade of India and China presented by his Majesty's " command, Feb. 1830." p. 42.

therein prescribed ; for this order, as far as it could be acted on, seems also to have been disregarded in the subsequent operations of the Company.

In the first place, the second and fourth appropriations of the revenue to the liquidation of both interest and principal of debt, take precedence of the appropriation for investments on account of territorial charges paid in England. These are the only appropriations of revenue to investment ; commerce, as would seem, being left to provide for itself. It will however be seen presently, that there was abundant revenue in India, after defraying every description of territorial charge abroad and at home, to discharge debt ; yet, strange to say, the Indian debt, instead of being diminished, continued largely to encrease, contemporaneously with a large and encreasing surplus revenue.

We find, indeed, in the next place, on referring to No. 21 of the “ Papers relating to “ the Finances of India, &c., Feb. 1830,” that Asum for principal of debt, amount-

ing to	.	.	.	.	.	4,891,593
And do.	interest do.	.	.	.	.	, 9,561,315

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Total	.	.	.	£14,454,908
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were paid from the home treasury in 15 years, or between the years 1814-15 and 1828-9; that is, after the separation of accounts prescribed by the Act had been, or pretended to be, effected; but we have no statement of separate remittances on this account, no separate invoice, and no separate account sales, as required by the instructions of the Court of Directors, (*vide p. 637.*) founded on the provision of the Act. On the contrary we are informed by official authority, that “all the  
 “advances in India and China for the pro-  
 “vision of investments, are made generally as  
 “well without distinction in respect to the  
 “ultimate destination of such investment, as  
 “without reference to the particular source  
 “whence they are derived.”\* The whole, therefore, whether for the payment of debt, or of territorial charges in England, or for commercial purposes, is blended in one general statement at home, as if no particular separation of accounts had been enjoined. Since these advances were thus indiscriminately made, we may also fairly question, whether they were made after deducting all commercial charges paid in India, as required by the Act.

All then that we can collect from No. 21 is,

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\* No. 13 of Papers relating to the Finances of India, &c. Feb. 1830.



that the gross sale proceeds of the goods disposed of by the Company, from 1814-15 to 1828-9, together with the other receipts therein specified, were just sufficient to defray all the territorial, and all the commercial, charges paid in England during the period, including the principal and interest abovementioned of Indian debt. The two sides of this account balance each other, with the exception of a small excess on the side of receipts, viz.

The total of territorial receipts is

stated at .....	£8,516,331
Do. commercial receipts including sale proceeds of goods ....	96,516,263
Do. do. on account of private trade .....	46,599,450
	<hr/>
	£151,632,044

Add, for tea duties from Mr. Mel-  
vill's evidence, 17th June,

1830 .....	50,184,113
	<hr/>

Total Receipts.....£201,816,157

The total of territorial payments

including principal and inter- est of Indian debt, is .....	46,291,485
Do. of commercial payments ....	58,239,228
Do. do. on account, private trade	46,715,628
	<hr/>
	£151,246,341

Add for tea duties from Mr. Mel-

vill's evidence, as above ....	50,357,075
	<hr/>

Total Payments.....201,603,416

Net Balance in favour of Receipts ..... £ 212,741

But the receipts and payments, as well territorial as commercial of the home treasury, being thus compressed into one general account, contrary to the intentions of the legislature, which had made separate appropriations for the discharge of debt, and of the territorial charges in England, is not the only remarkable feature of this account. A careful analysis of its contents will be found strongly to corroborate the important fact, which is, indeed, equally inferrible from various other official documents, viz., that ever since 1814, the annual investments have continued to be, as in former times, purely “revenue investments”—in other words, that all the advances in India for the provision of investment do, as formerly, uniformly proceed from the one only source which can supply them, viz. the funds of territory. When, therefore, the authorities at home talk of separate commercial funds, and of the exports to India being exclusively the produce of such funds, we cannot forget the admission of Mr. Hastings’ government, (*p.* 526 and 530.) that the revenue investments were so regulated in India as not only to defray all home charges, including bills of exchange on the Court, but *likewise to provide exports in return to India;*

neither can we forget the memorable declarations of the Court of Directors themselves, that the produce of these revenue investments constituted "*the ONLY channel of their receipts;*" and that "*to reduce these investments was to* " *deprive them of the ONLY MEANS they had to* " *answer home demands,*" (521 and 525.) If then the case be different in present times, it behoves those who have access to the Company's books to prove it; for it is impossible to discover, from the records in print, anything like a separate commercial capital adequate to the operations of the Company's trade; or to conceive that other and more satisfactory commercial accounts would not be presented to the public, if any such separate fund, or capital, really existed.

But besides the frequent expression of my conviction, that the Company's trading capital was wholly supplied from the territorial funds of India; I have also had occasion more than once to observe on the extreme defectiveness of the Company's commercial accounts before the public, and that anything that could be compiled or collected from them, could only furnish us with general views or conclusions, but never with precise satisfactory results. All therefore that we can do

on the present occasion is, to offer the following observations on the account before us. On looking into it, the first thing that strikes us is the "sale proceeds of goods," amounting to 85,459,872*l.*, and constituting by far the largest item of receipts. Comparing these sale proceeds with other tables, in which the invoice cost, and sale proceeds of goods are contrasted, we find that investments from India and China of the prime cost of from 45 to 48, or at the utmost 50 millions sterling, would amply suffice to produce the abovementioned 85 millions at the sales in England; but the funds exported to India, or supplied for commercial purposes, do not amount to one-half, perhaps not to one-third, of the prime cost of investments; the whole of the goods, stores, and bullion exported, and bills drawn on the Court, only amounting to 19,075,053*l.*, (of which a large portion consisted no doubt of stores,) whence the remainder, or difference between this and the actual cost of investments, must necessarily have been supplied by territory.

Referring to *p.* 614. and the official documents there quoted, the invoice cost of investments for the period in question, may be computed (for the precise amount is not given) to



amount to 48 or 49 millions ; and allowing for losses, &c. on the passage, we shall probably not be far wrong in stating 48 millions in round numbers, as the amount of investments received in England.

To what extent territory supplied the means of furnishing the above investments is nowhere distinctly stated. It is true, that the bills on the Court, bullion exported, and goods for sale, amounting perhaps altogether to about 16 millions sterling, would be considered as available assets in the Indian treasury for the provision of such investments ; but according to Governor Hastings' admission, *p.* 526., Indian revenue furnished originally the means of paying these bills on the Court, and of exporting goods and bullion in return, so that these annual re-exports do in fact nothing more than replace from year to year the revenue, or loans, which had been advanced in the first instance to create them.

Unless, therefore, these facts can be disproved — unless it can be shewn that Governor Hastings was ignorant of the duties and concerns of his high office — and that the Court of Directors were also in error, when they declared they had no other means than their revenue investments to defray home de-

mands, it may be difficult to escape from the the position here contended for, which is, that ever since the acquisition of the Dewanny, commerce has been continually trading on a capital furnished by territory.

Another coincidence occurs in the examination of this account, No. 21, which may be deserving of notice. The sum total of territorial payments in England, including Indian debt, amounts to 46,291,485*l.*; all of which, according to the appropriations of the Act of 1813, must necessarily have been supplied from territorial funds. But this sum, and the prime cost of investments during the period, nearly approximate, perhaps as nearly as if appropriations of investments had been expressly calculated for the purpose of supplying the home territorial expenditure. The whole trade of the period therefore would thus seem to have been carried on by means of this territorial supply; and as this amount of investments, as before mentioned, amply sufficed to produce at the sales in England, the sum of 85,459,872*l.* stated in No. 21, out of which, with some other commercial receipts, and 8,516,331*l.* of territorial receipts likewise charged on Indian revenues, all the commercial, and all the territorial payments of the period were de-

frayed — including on the one hand customs, freight, bills of exchange on the Court, and the re-export of goods and bullion to India and China, &c. ; and on the other 46,291,485*l.* of territorial items — we have another corroboration of the same fact, as beforementioned, that the funds of territory have alone supplied the whole of the Company's commercial operations.

It may perhaps be conceived, that the sum of supplies abovementioned, or about 48 millions, is inadequate to furnish goods, the sale proceeds of which, as per No. 21 of the papers here referred to, amounts to upwards of 85 millions ; but a reference to the statements in print, in which the invoice, or prime cost of goods from India and China is contrasted with the sale proceeds, the proportion here assumed is fully borne out. In Moreau's tables, p. 24, we have an account of the Company's trade for 51 years, in which the prime cost of investments, is stated at £108,976,128 And the sale proceeds, at . . . 227,786,044

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In the Fourth Report of the Select Committee of the House of Commons, 1812, p. 13, and Appendix 25, we have a similar

account, in which the prime		
cost of investments, from 1793-4		
to 1809-10, is stated to be	.	50,217,400
And the sale proceeds	.	102,737,954

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In Bruce's plans for British India, p. 227, a similar statement is given bearing the like proportion ; a proportion which might, if necessary, be farther confirmed by referring to other official documents.

If then the examination of these accounts leads to the *general conclusion* (for precise results are, as I have frequently observed, quite unattainable,) that the territorial funds of India, have sufficed during the period for all the Company's commercial operations, the importance of the fact is such as should arrest the reader's particular attention. Figured statements are, I know, among the least attractive and least interesting of written compositions ; but those who will take the trouble to analyze the accounts, No. 21, of the " Papers, Feb. 1830," No. 2. and 2. x. of the same series, and the Abstract thereof given below, (*p.* 662.), will be enabled to verify the accuracy, or otherwise, of the preceding observations.

Having thus adverted to the only account



before us, in which the cash receipts and payments of the home treasury are exhibited, we shall next proceed to an analysis of the revenue accounts of the period here treated of, forming the most important part of the present enquiry; inasmuch as the revenue accounts seem to be complete in themselves, and therefore so framed as to exhibit satisfactory results.

I would first, however, beg leave to observe, that if one conclusion be plainer than another, as derived from the examination of these accounts, it is simply this — that if the debt — in other words — if loans have not been required to defray territorial expenditure, *the territorial account ought not to be charged with the interest.* The accounts of the revenues and charges of India, submitted annually to parliament from 1792-3 to 1827-8, contain clear statements, under distinct heads, of all the revenues of India, and of every description of disbursement, required for the government or defence of the country, together with all the territorial charges paid in England. But these accounts are also loaded with the charges of maintaining Bencoolen, St. Helena, and Prince of Wales's Island, and with interest on the debt. Now, if it can be shown

that the territorial receipts have, from year to year, greatly exceeded the territorial disbursements, to the entire exclusion of all necessity for loans on territorial account, it is obvious to common sense, that, as the principal of debt was not wanted for territorial purposes, territory ought equally to be exempted from the charge of interest. It is true, that Acts of Parliament have made this interest a territorial charge; but if the Select Committee of 1809 to 1812 had fairly done its duty — if the true source of the debt falsely called territorial, had been fully explained to Parliament, it never could have committed so monstrous an act as that of imposing an overwhelming load on territory, merely to save commerce from impending bankruptcy.

From the aforementioned official annual accounts, I have accordingly framed the following table, on the only principle on which I think such a statement ought to be exhibited to the public. It contains, on the one hand, all the revenues of India, and, on the other, every description of territorial disbursement abroad, to which is added all the territorial charges paid in England, including the corrections or additions made to this head in Mr. Melvill's evidence of June, 1830; and

likewise the net charge of Bencoolen, St. Helena, and Prince of Wales's island ; but excluding the interest on debt. The table is divided into short periods to shew more distinctly how far the revenue funds were either redundant, or deficient, at any intermediate time. Considering this table in the light of a cash account, I have subjoined to it sundry items, which, from the explanations given in official documents, ought to be included among the territorial receipts ; and which it may be necessary here to explain.

The two first items speak for themselves.

The third item, or 1,500,000*l.*, is a loan from government in Exchequer bills, in 1811 : on which, in the following year, or 1812, we find in No. 22 of the " Papers regarding the " finances of India, &c. Feb. 1830," the following remark : — " The sum of 1,500,000*l.* " lent the Company in Exchequer bills by " government, was not included in this year, " as the advances by the Company in India, " on account of government, since that sum " was received, were estimated considerably " to exceed it." The repayment being thus included in Indian charges, it is clear the

original loan ought to be included in the receipts.

The fourth item is a sum of 2,500,000*l.* borrowed from His Majesty's government in 1812, to pay off Indian debts, and made by Act of Parliament \* a charge on the territories of India. As this sum appears, as well by the official documents in print, as by the Act 3 Geo. 4. c. 93, to have been liquidated by means of payments made by the Company at various times on account of His Majesty's government in India and St. Helena, and consequently included among territorial charges, the last payment of 557,335*l.* having been made in 1822,† it is clear, that if the repayment be included on one side of the account, the original receipt, or 2,500,000*l.*, ought to be included on the other. As this item stands in the accounts now before the public, it may be explained as follows:—In No. 20 of “Papers relating to the finances of India, &c. Feb. 1830,” this sum is inserted as a “loan

\* Act 52 Geo. 3. cap. 135.

† Vide Act above quoted, and likewise the accounts No. 1, and 2, of the “Papers relating to the Finances of India, and the trade of India and China, Feb. 1830.”



“ from the public in 1812,”\* and in the same account, and the continuation thereof in No. 21, various sums are entered among *territorial charges* as “ interest, sinking fund, charges and repayment of loan “ from the public,” until the year 1822-3. In that year it appeared, on a settlement of accounts between the Company and His Majesty’s government, that 1,857,335*l.* of this loan were still due to the public, of which, as explicitly stated in Act 3 Geo. 4. c. 93., 1,300,000*l.* was allowed as a set-off in favour of the Company, for advances made by them in behalf of His Majesty’s government, for the public service, and at St. Helena; and the balance, or 557,335*l.*, paid in cash at home, and included among the territorial charges, as stated both in No. 2 and 21 of the “ Papers,” &c. above quoted. Of the 1,300,000*l.*, however, it is to be remarked, that it is inserted in No. 21, as an actual cash receipt, and cash payment, when it was *positively* neither one nor the other. It had been already debited to territory in the original sum of 2,500,000*l.* in 1812, and to bring it

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\* Vide also Act 52 Geo. 3. cap. 135.

forward again in 1822 as a debit entry, is to charge territory with this portion of the loan twice over. Why it should be inserted in No. 21, as if it were another or distinct cash receipt, and payment, of the home treasury, which *it certainly was not*, I cannot explain; but having been discharged, like the rest of the loan by sundry payments and advances included under territorial charges, it is clear that territory ought also to have the benefit of the original receipt.

It may be further added of this sum, that it was borrowed and charged on territory, at a time when territory had in fact no occasion for the supply, there being then a large surplus revenue in India; and that in the repayment this loan has been charged with interest, sinking fund, and other expences added to the principal, amounting altogether to 4,296,912*l.* The money, therefore, appears to have been borrowed by commerce, applied to the uses of the commercial home treasury, and ultimately repaid by territory, with the addition of the above unmerciful load.

The fifth is another loan from government in 1813, amounting to 2,000,000*l.*, and entered in No. 20, as “a receipt from government on

account of the Company's claims." After the year 1813, (like the former sum of 1,500,000*l.* in 1811) it is neither noticed among the debts or credits, from which circumstance, as well as the wording of the entry, we can only conclude that these two sums of 2,000,000*l.* and 1,500,000*l.* are in the same predicament, that is, discharged by means of advances made on account of His Majesty's government in India, and therefore included among territorial charges.

The Sixth is a sum of 1,109,875*l.* obtained from the Nabob of Oude, for which he was paid by a territory conquered from the Nepaul state; and as the charge of acquiring this territory is included in the general charges of the Nepaul war, and, therefore, on one side also of the territorial account, the receipt ought as clearly to be on the other. This, indeed, is admitted in the account No. 1, A. submitted to parliament in Feb. 1830; where, though not inserted, it is observed, in a note, that the sum should have been inserted, so as to encrease, *pro tanto*, the Bengal surplus revenue of 1815-16.\*

Seventh—In the year 1823-4 there was paid

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\* See also No. 1. A. of the same collection of accounts.

to the Nizam the sum of 1,201,201*l.* to redeem an annual Peshcush or tribute of 72,012*l.* payable by the Company to that prince on account of the Northern Circars. The redemption is consequently equal to about 17 years purchase; but crammed into *one* year among the charges, thereby making an excess of charge where there would otherwise be a surplus revenue.\* This is not fair to the territorial account, which only includes four years of receipt and disbursement subsequent to this insertion. I have thought it more equitable to extend the redemption money over the whole 17 years; allotting to each its separate portion, and have accordingly made corresponding entries in the following table.

Eighth—The net charges of Bencoolen, St. Helena, and Prince of Wales's Island. On no principle of justice can these charges be wholly placed to the territorial head. They are, as before observed, in their very nature, as well as origin, purely commercial. I have, however, adopted the proposed equal division of these charges by the Select Committee of 1809, by placing one half as a

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\* See No. 2. and No. 2. B. of the same series.



charge on each concern — a division which may be said to be at least partly ordered by the Board of Controul.

Lastly, it may be important to observe, that the following Abstract is compiled from statements which profess to give the “*Total Annual Amount of the Revenues and Charges of India.*” If then, the statements in question do not contain the *total*, those who framed them must answer for the omission, which, in such case, would be a fallacy practised on Parliament and the public.

With these preliminary explanations the annexed table is submitted, compiled from official documents, and as far as those documents are to be relied on is, I believe, perfectly correct. [*See the annexed Table.*]

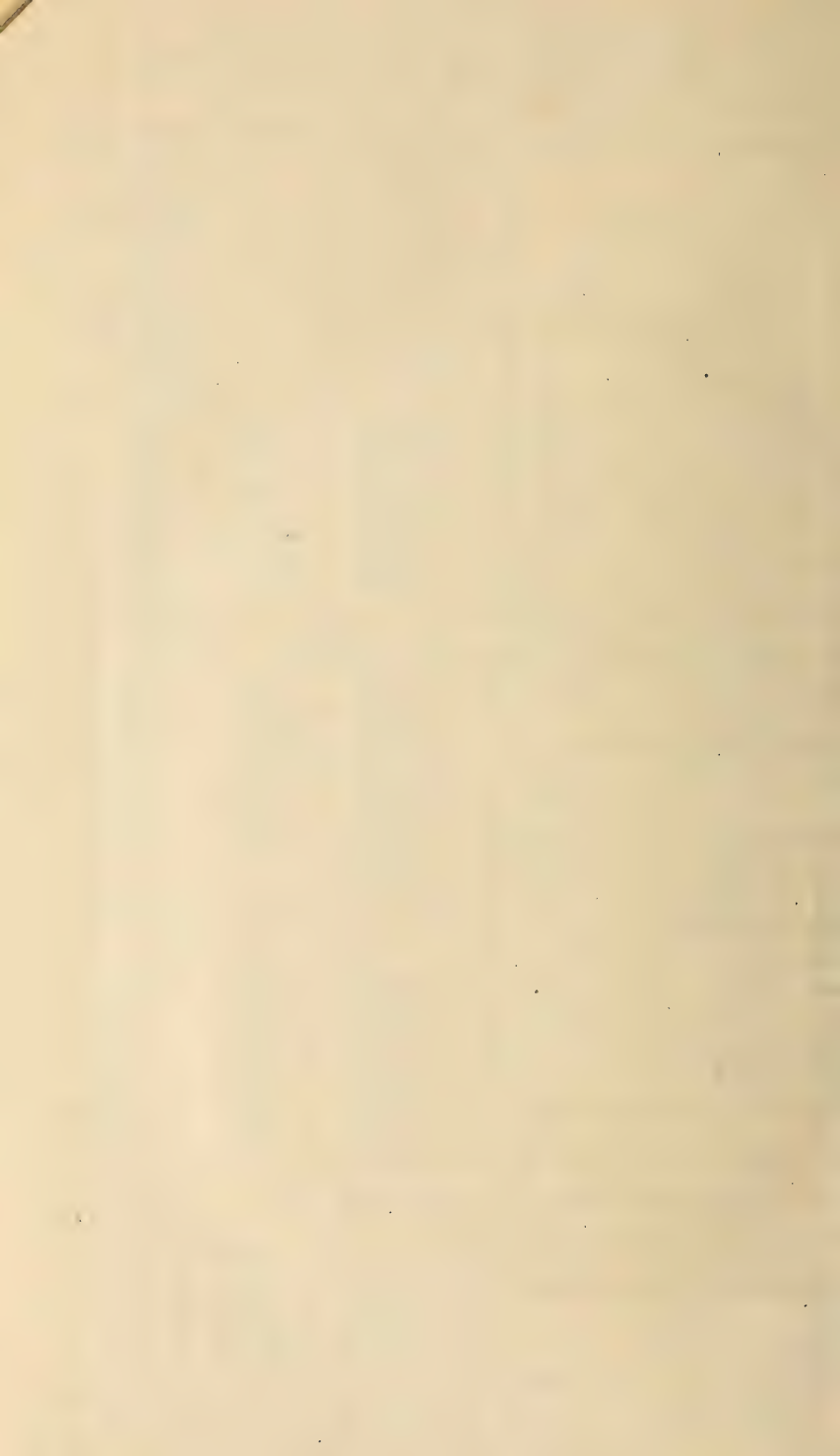
There is another method by which a large surplus may be shewn on the preceding account, the disposal of which would require to be accounted for. The principle was explained in my examination before the Lords’ Committee on the 28th May 1830, viz. to concede, for the sake of illustration merely, that the whole debt was, as pretended by the Company, contracted for political purposes. Since the principal of the debt has disappeared, it would then follow that both the principal and

The net Charges for Bencoolen, Prince of Wales's Island, and St. Helena, for 1801-2 to 1828-9 . . . . . are taken from the Annual Accounts presented to Parliament by the East India Company, with the exception of 1801-2 to 1804-5 which are extracted from Appendix, No. 6, to the Second Report from the Select Committee of the House of Commons, in 1810.

The Political Charges paid in England, for . . . . . 1793-4 to 1808-9 are taken from Appendix, No. 46, to the Fourth Report of the Select Committee of the House of Commons, in 1812.

1809-10 to 1828-9 are taken from Statement, No. 2, of the " Papers relative to the Finances of India, &c., February 1830."

\* This is the Amount stated in the Official Documents referred to at the head of this Statement; but according to an adjustment adverted to in Appendix, No. 51, of the Fourth Report, the Amount would only be 7,866,671*l*.



## POSTSCRIPT TO THE PRECEDING TABLE,

*(Annexed to page 662.)*

SINCE this table was printed I have had access to two accounts, Appendix 41 of the Report of the Select Committee of the House of Commons 11th Oct. 1831, entitled "Abstract statements of the claims of the East India Company on his Majesty's Government, and of his Majesty's Government on the East India Company," in which the two sums in the preceding table. No. 3 and 5, or 1,500,000*l.* and 2,000,000*l.* as received from Government, are set off against various disbursements by the Company in India on account of his Majesty's service; interest being charged on each separate item, and the balance settled, as would seem, by compromise.

Of this account it is stated in a note at foot, that none of the disbursements are included in No. 2 of the Revenues and Charges of India from 1809-10 to 1827-8, meaning, I presume, that contained in the series of "Papers &c. Feb. 1830;" but this does not prove that they are equally excluded from territorial payments made in England; of which nothing is said. A large proportion, however, of these disbursements was made *prior* to 1809-10, and of course could not be included in No. 2, although it might in some previous revenue account. Nevertheless, in another account (*vide p. 656*) the above sum of 1,500,000*l.* is said to have been discharged by advances on account of his Majesty's Government *since* 1811. We are therefore left in the dark as to what general account these advances are, or ought to be carried; and this is one of the many incongruities with which we are constantly met in the examination of the Company's accounts before the public. They have so much the appearance of garbled statements, that one can hardly tell where to look for a plain straight-forward intelligible account.



Although the statements, No. 41, here alluded to, are open to various objections, it only concerns us on the present occasion to notice, that the items of which this appendix is composed prove that the disbursements abroad, on account of His Majesty's Government, *must have been made from the revenue treasuries of India*, and that they *must* have been made with monies bearing a heavy charge of interest in India. When therefore commerce received in England the repayment of these advances *with interest, and that interest charged at various rates up to 7 and 8 per cent.* territory should have got credit for the principal and interest of what was so repaid; otherwise Commerce must be said to have pocketed the amount. In the present instance all that appears is in No. 20 of the series of "Papers &c. Feb. 1830," where both these sums are stated to have been received into the Commercial home treasury, and then applied to the discharge of a mass of commercial items, including a sum for "Indian debt."

Until therefore some better explanation can be given of these two sums, they may, it is thought, not improperly be credited to revenue, which unquestionably advanced the amount in the first instance, and has ever since been charged with the interest. It is moreover remarkable of these two sums, that they are a part only (as per Appendix 41) of upwards of 9,000,000*l.* sterling received by the Company from Government against 10,000,000*l.* said to have been advanced on various occasions, for account of His Majesty's Government; and it is impossible to conceive that such large sums as these could have been omitted from the territorial accounts annually submitted to Parliament; an omission which would in fact falsify the whole. At all events, if they have been so omitted, the general revenue statement No. 2, is no longer what it professes to be, "*An Account of the TOTAL annual amount of the revenues and charges of India.*"

Lastly — If it should be hereafter proved (which is difficult to conceive) that these two sums ought not to be credited to revenue, or, if credited, that they would have to be neutralized by additional charges, its effect on this account would only be to reduce the balance or net surplus from 34,065,935*l.* to 30,565,931*l.*

the revenue had been expended in defraying political or territorial charges. In this case the column of interest would stand fairly, as it does now, in the account No. 2, of the “ Papers relating to the Finances of India, &c. Feb. 1830,” and in the corresponding account from 1793 to 1809-10, No. 6, attached to the Second Report of the Select Committee of the House of Commons in 1810; and taking these accounts, as simple cash accounts, certified as they are by the highest authorities (with certain stated amendments) to contain every description of territorial disbursement, it will not be denied that they ought also to contain every territorial receipt — consequently the sum of all the loans raised, or said to be raised, for territorial purposes. The account so constructed would then stand as follows : —

On the 30th of April, 1793, the Indian debt is stated in Appendix No. 7, to the Second Report of Select Committee of 1810, to have been .....	7,971,655
Do. 1809, do. as per do .....	30,876,788

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Net Increase ..... £22,905,133

Whilst the excess of political charges as per No. 6 of Appendix to the same Report, and No. 11 of the Third Report for the same period, was only ..... 5,078,015

Brought forward.....	£22,905,133
Ditto.....	5,078,015
And the political charges paid in England, as per No. 46, Appendix to Third Report (the Committee, however, doubting whether the whole were properly chargeable to the territorial head).....	6,138,448
	<hr/> 11,216,463

Difference to be accounted for.....£11,688,670

So that the amount of loans had exceeded the total amount of surplus charges, during that period, in no less a sum than 11,688,660/.

This is the result of the official documents referred to without a single deduction on account of interest, or of any other charge contained in the official documents.

Again—

On the 30th of April, 1827, the Indian debt is stated in No. 4 of “ Papers relating to the Finances of India, &c. Feb. 1830,” to be .....£42,870,876

Making, therefore, the increase of debt since 1793. 34,899,211

Now, as the surplus charge from 1809-10 to 1826-7, as per No. 2 of the same “ Papers,” &c. is only .....£13,589,894

And the surplus charge of the former period as above ..... 11,216,463

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24,806,367

There is still a difference to be accounted for of..£10,092,854

This, however, is only the difference exhibited by the official accounts above referred to. If the items contained at the foot of the table (*p.* 662.) be, as I think they should be, added to the receipts, the total difference to be accounted for, would be 18,387,347*l.* according to the explanations before given.

Here then is a surplus of 18 millions, which, on the principle assumed by the Company of the debt being wholly territorial, it is natural to ask how, or to what purpose has such surplus been applied? It cannot have been expended on account of territory, for by the supposition, admitted by the Company's accountants, every description of territorial disbursement at home and abroad, is already credited in the account of which this sum of 10 millions and upwards, is the balance or overplus. According to the documents in print, and before the public, it is impossible to account for it in any other way than as having been appropriated to supply the wants of commerce.

But this statement is only introduced to shew the certainty of a large surplus on the territorial account, on whatever principle it may be constructed, provided only the whole of the territorial receipts, as well as disbursements be fairly inserted. But the former



table (*p.* 662.) contains the true view of the territorial surplus between 1793 and 1827-8, amounting to 34 millions ; to which if we add the surplus of 24 millions between 1761 and 1793, we have a total surplus of 58 millions taken from territory, for which it has received no credit either in principal or interest ; but is on the contrary loaded with the principal and interest of a debt of 42 millions more—obviously not required for any territorial purpose ; and making therefore altogether 97 millions sterling, which it has clearly furnished from its own resources, the expenditure of which, I repeat, it is impossible from the official documents in print to account for in any other way than as a supply to bolster up, from year to year, the extravagant waste of a heedless and bankrupt commerce.

To results so astounding, and so much at variance with the annual statements put forth from the India House, men of moderate ideas, unable or unwilling to examine in detail the Company's complicated accounts, are slow of giving their belief. Aware of this impression, and willing at the same time to be either confirmed, or corrected, in my view of the case, I thought it best, before even I had prepared anything more than the two last figured statements of the present treatise, to take an un-

biassed opinion on the general question from one of the ablest professional accountants in London. For this purpose I put into his possession the Five Reports of the Select Committee of the House of Commons, 1809-10 to 1813, with their Appendixes ; a complete series of the Company's official accounts annually laid before Parliament from 1793 to 1828 ; all the accounts which had been submitted to the present East India Committee ; a complete copy of the evidence taken before the said Committee ; and other documents bearing on the question.

Mr. Wilkinson's first object was to obtain a correct view of what he, amongst others, conceived to be the gain or rate of profit on the Company's trade ; but in this research after repeated attempts he was disappointed ; declaring, to use his own words, that he could make neither head nor tail of the Company's commercial statements. His attention was next directed to the revenue accounts ; but having no documents to go further back than the year 1793, his examination commences with this period, and he takes for granted that the debt in 1793 was territorial, because it is so asserted by the official authorities at the India House ; and because he had no means of proving otherwise.

Mr. Wilkinson having no means of extending his review beyond 1793, was unacquainted with my view of the case previous to 1793, as contained in the four preceding chapters, as well as with the facts and official documents on which that view is founded. This explanation will therefore account for the *apparent* difference between Mr. Wilkinson and myself, as to the nature of the debt existing in 1793 ; but even with this admission, his report is so full a confirmation of my original position, and which I alone propounded in 1813 as to the surplus revenue of India, and the consequent origin or causes of the Company's debts, that I must entreat the reader's most particular attention to its contents. The report is so ably drawn, and every fact so clearly explained, that it would be injustice to Mr. Wilkinson, and a presumption in me, were I to submit it in any other than his own words.

## MR. WILKINSON'S REPORT.

THE Honourable East India Company allege that not only the principal of their Indian debt, but a considerable portion of their commercial profits, has been expended in supplying the deficiencies of their Indian territorial revenues; and this opinion does not appear to have been very zealously impugned, or successfully combated by the Honourable Board of Controul, or the Parliamentary Committees, to whom the Honourable Company have been required to submit annual statements of their affairs.

In presuming therefore, after an attentive examination of these voluminous documents, to dissent from the conclusions of those eminent authorities, I cannot but be sensible that I must encounter very reasonable prepossessions, and that if the question is to be determined by authority alone, I have no pretensions to be heard. My *arguments* will certainly not pass for more than they are worth; but the *facts* which I shall adduce will be entitled to some attention; being no other than those contained in the accounts present-



ed by the Honourable Company to Parliament and admitted by the Honourable Committees of both houses ; and if these, under due combination and arrangement, inevitably lead to a particular *result*, they may be found capable of extorting an assent, which might very properly be refused to *me*.

The difficulties attending the investigation have been very accurately described by the Honourable Committee of the House of Commons in their Second Report, ordered to be printed 11th May 1810, page 65.

“ The political and commercial concerns of  
 “ the Company are so interwoven in the  
 “ financial system of India, that under its present arrangements it is of the utmost difficulty if not totally impracticable, to make  
 “ a distinct separation of them, and more particularly for the period under examination. The sources from which funds have  
 “ been derived from year to year for the supply of the combined operations of government and commerce were the revenues  
 “ of the territories, and supplies from Europe, either in bullion, or exports, or by  
 “ bills upon the court : when the aggregate amount of these several heads has not been  
 “ sufficient to defray the expences of govern-

“ment, to provide investments and to remit  
 “supplies to China, money has been raised  
 “upon loan.”

And again, in the Third Report, page 5 :  
 “From these accounts it is to be deduced that  
 “when a surplus revenue existed in India,  
 “it was, in conformity with the principles  
 “laid down in the Act of 1793, applied to  
 “advances for the purchase of investments  
 “for consignment to Europe, or for the sup-  
 “ply of the Canton treasury ; and when,  
 “combined with the funds available in India  
 “from supplies from Europe, it was found  
 “insufficient for these purposes, the differ-  
 “ence was furnished by monies raised on  
 “loan in India. In whatever amount there-  
 “fore the capital of the Company in England  
 “was not sufficient for carrying on the trade  
 “and for the conduct of the concerns gene-  
 “rally, the deficiency was supplied by mo-  
 “nies raised in India. The *impracticability*  
 “of distinguishing what part of these monies  
 “was applied to commercial and what part to  
 “political purposes, having already been  
 “stated, the object of these additional re-  
 “marks is merely intended as a farther de-  
 “monstration of the strict connexion of the  
 “political and commercial affairs at home as  
 “well as abroad ; and as a proof of the cor-

“ rectness of the position, that till it shall be  
 “ clearly ascertained that the supplies from  
 “ the home treasury to India, and China,  
 “ were derived from sources purely commer-  
 “ cial, the question of a distinct view of the  
 “ proportion of the Indian debt which is to  
 “ be termed political or commercial must re-  
 “ main undecided, whatever may have been  
 “ the amount of those supplies.”

That which in the former quotation was treated as a “ difficulty,” is here advanced to an “ impracticability ;” but with the utmost deference to so distinguished an authority, I humbly conceive that the Honourable Committee have in a preceding paragraph suggested the means of surmounting every obstacle to the separation required for the period subsequent to 1792. In the same Report, page 4, we find the following paragraph : — “ The ordinary revenues and  
 “ charges being more immediately territorial  
 “ or political, have been shewn *in a manner*  
 “ *sufficiently clear*, with the exception of the  
 “ interest upon the debts, which though  
 “ charged entirely to the territory, admits of  
 “ no proper separation or adjustment till it  
 “ shall be determined what part of the princi-  
 “ pal has been raised for political and what  
 ‘ part for commercial purposes.

And concurring entirely in that opinion, it has been my express object to ascertain, in the first instance, what part of the principal “has been raised for political and what part “for commercial purposes.”

As the whole concerns of the Company are divided into two branches, TERRITORIAL and COMMERCIAL, two methods of proceeding naturally presented themselves as calculated to effect this object; either to draw up a separate statement of the commercial affairs of the Company, which for the reason repeatedly assigned in the “Reports,” viz, the insufficiency of the documents laid before Parliament, was impossible — or to prepare a similar statement of the territorial concerns of the Company, which for the reason above given, viz, the “sufficiently clear” manner in which they have been stated, has been found perfectly practicable; nor am I aware that any advantage could have been secured by adopting the former in preference to the latter method, even with adequate materials, seeing that if we can separate from the mass all the facts and results which are properly “territorial,” it as certainly follows that all which remain are “commercial,” as it would have followed from a separate “commercial” statement, that



all the rest must be "territorial." No doubt an analysis of the books of the Company in Leadenhall Street would furnish the means of preparing separate and distinct statements of *both* branches of their concerns; but the Papers laid before Parliament are complete only with reference to one of these, viz, the "territorial" branch.

In the "EXPOSITION" of their affairs, dated East India House, 22d May 1810, submitted by the Company to the Committee of the House of Commons, they have adverted to the ascription of the increase of Indian debt, to Indian investments, and consider this to be a very inaccurate view of the subject—they say, "That *advances* for the Indian investments have been made from the general treasuries of the Company, without discriminating whether commercial funds were at that time forthcoming, and even whilst European goods and stores imported by the Company remained unsold, is not to be disputed. The treasuries which supplied those advances may also have been occasionally replenished by loans as well as by revenue; the annual investments sent to Europe may, moreover, have at times exceeded the supplies of goods, stores, and bullion received

“ from Europe, and may have been rather  
 “ regulated by the general ability of the trea-  
 “ suries abroad, than by the quantum of im-  
 “ portations from Europe ; but all these cir-  
 “ cumstances, though they have given colour  
 “ to the notion now under consideration, are  
 “ far from proving it. There are other ma-  
 “ terial circumstances to be taken into the  
 “ account. The Company have long been in the  
 “ habit of paying in England political charges  
 “ strictly appertaining to the territory. For  
 “ these charges the Company never have  
 “ credit in the Indian accounts. The large  
 “ supplies of stores and part even of the  
 “ goods sent out annually by the Company to  
 “ India are intended for political purposes,  
 “ and the whole amount of them should be  
 “ brought in India to the credit of the home  
 “ concern from the time they are shipped ; but  
 “ the practice has been to credit the Company  
 “ for them only as they were taken out from  
 “ the Indian warehouses for use, and no losses  
 “ of such articles in the way outward, or in  
 “ India, have ever been brought to the credit  
 “ of London at all. Moreover, it is evident  
 “ from what has been already stated in this  
 “ exposition, that the supplies of goods and  
 “ bullion from England have, at times at least,  
 “ exceeded the returns in the same period.”

Now this “EXPOSITION” is of very considerable importance, inasmuch as it gives us the Company’s own view of the additions which ought to be made to the debit of “territorial revenue” and to the credit of the home concern, or “commerce” beyond the the statements of “ordinary” Indian revenue and charges, before the account between them can be considered fairly stated; and if it appear that I have complied in the fullest sense with the conditions prescribed by them, it should seem that I am entitled to claim the sanction of the Honourable Company to the fidelity and accuracy of my results. What then are the additional credits upon which the Company insist?—they are as described by themselves

1st, Political charges paid in England.

2d, Stores sent out annually by the Company.

3d, The difference arising from a credit in India for goods when shipped, rather than when used: and

4th, Losses of such articles on the voyage, or in India.

The first and second of these particulars are undoubtedly of great magnitude, amounting together for the whole period, 1793-4 to

1827-8, to no less a sum than 32,654,957*l.* as given by the Company in Appendix, No. 46, to the Third Report, and No. 2, of the papers printed February 1830 ; and no account of “ territorial revenue ” could be perfect which did not include them : accordingly it will be seen, that in no one year of my statements are they omitted, but annually brought to the account of Indian revenue, together with all other legitimate charges, European and Indian, before the balance is treated as surplus or deficiency. With respect to the third and fourth items, if admissible as a charge against Indian revenue, they must be very inconsiderable in amount ; the Company have not afforded us the means of calculating it with any approximation to accuracy, but it may be estimated largely at one or two millions for the whole period, and an allowance of more than the greatest possible amount may be made at the foot of the account to cover any defalcation thus occasioned.

It may be proper here to advert to the terms “ ordinary ” and “ extraordinary ” used in the Reports of the Committees of Parliament. I understood the term “ ordinary ” when applied to receipts, to mean Indian territorial or direct revenue ; and when applied to disbursements,



the charges of administering the government of India : the term “ extraordinary,” when applied to receipts, I understand to mean loans in India, bills on the Company, and consignments of bullion and stores from England : and when applied to disbursements, charges not territorial, and chiefly advances for the purchase of investments for China and Europe ; —it is not meant that there are extraordinary political or territorial charges beyond, or in addition to, those indicated in the several statements brought under consideration : if that were the case it would certainly be necessary before it could be determined whether there was a surplus or deficiency of territorial revenue, that the amount of such extraordinary charges should be ascertained ; but the Committee have clearly explained, (page 6 of the Third Report,) that the statement, No. 6, of the Appendix to the Second Report, is itself abstracted by the Company’s Auditor of Indian accounts from the general statements transmitted from India, which do include receipts and disbursements “ ordinary and “ extraordinary,” and that this abstract is intended “ *to shew distinctly the direct revenues and charges of India ;*” and the preceding remarks on the Company’s “ Expositi-

tion" are in perfect coincidence with this view of the subject.

We are informed by these Reports that "on  
 " occasion of renewing the charter in 1793  
 " every exertion was employed for the disco-  
 " very of the extent of the Company's re-  
 " sources both *political* and *commercial* and  
 " calculations were made with every practi-  
 " cable attention to accuracy grounded upon  
 " the actual experience of preceding years,  
 " as it regarded both receipt and expendi-  
 " ture." And reference is made to an ESTI-  
 MATE shewing a SURPLUS of *Territorial Reve-*  
*nue* for 1792-3 amounting to . . . £1,971,050  
 From which is deducted the amount

2d Rep.  
p. 13.

App. to 2d  
Rep. p. 75.

of interest payable on Indian debt 561,923

Do. p. 76.

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And the balance is declared to be  
 applicable to *Commercial purposes*  
*or the discharge of debts* . . . 1,409,127

" A principle was also established for the  
 " *application of the SURPLUS produce of the*  
 " *revenues*, which, on the calculations above  
 " adverted to, *was fairly expected to arise;*" and  
 " it was likewise prescribed that the Court of  
 " Directors of the East India Company should  
 " annually lay before Parliament *distinct*

2d Rep.  
p. 13.

“ *accounts of the* REVENUES and of the DIS-  
BURSEMENTS in India.”

Accounts have accordingly been rendered by the Company in pursuance of this obligation ; and commenting upon these, the Honourable Committee of the House of Commons report, that “ the nature or description  
“ of the accounts is such as to afford in each  
“ year a view of the amount of the REVENUES  
“ derived from the possessions in INDIA and of  
“ every charge incurred in the government and  
“ defence of them, with the interest payable  
“ upon the debts ; they likewise shew the  
“ amount of those debts,” &c.

The Committee have instituted a comparison between the state of the Indian Revenue in 1793(which is by the Court of Directors estimated at a SURPLUS, not of 1,409,127*l.* as before given, but of 1,163,577*l.*) and the state in which it is represented in 1808-9, the period to which that Report extends, exhibiting a DEFICIENCY amounting to 26,042*l.* ; and have given it as their opinion that this defalcation will be found to have been “ entirely occasioned by the *increase of charge and of interest on the debts as the state of the revenues*  
“ *has improved in a most material degree.*”

Entertaining the highest respect for the

2d Rep.  
p. 14.

Do. p. 15.

authority of the Honourable Committee, I am nevertheless constrained to infer from the consideration of these accounts, that the difference is *entirely occasioned by increased interest on additional debt, which it was not necessary to contract for any purposes connected with the Territorial revenues of India; those revenues having been more than sufficient to discharge all legitimate claims upon them; that no part of this additional debt has in fact been applied to any territorial or political object, but has been employed to create COMMERCIAL ASSETS*; thereby conferring an appearance of prosperity on that branch of the Company's affairs, which is utterly fallacious and unfounded: and finally, that as the revenues of India have not been benefited by the principal, so neither ought they upon any reasonable ground to be charged with the interest.

The Committee, after having gone into some minor details respecting the revenues and charges of the several Presidences of India, proceed to remark as follows.

“ The general statement marked No. 2,  
 “ is first to be referred to : on this view it will  
 “ appear that in the year 1793 it was esti-  
 “ mated, that after paying the direct charges  
 “ of the government of the three Presiden-

2d Rep.  
 p. 60.



“ cies, exclusive of the supply to Bencoo-  
 “ len, &c. *the commercial charges and the*  
 “ *interest upon the debts*, a NET REVENUE  
 “ would remain to the amount of £1,775,500  
 “ And that on the same principle  
 “ there would remain in the year  
 “ 1808-9 a NET REVENUE amount-  
 “ ing to . . . . . 2,373,831  
 “ The view of this statement further suggests  
 “ the inference that *in point of fact the re-*  
 “ *venues of India were more than sufficient to*  
 “ *cover the immediate charges of the govern-*  
 “ *ment of it upon the principles now stated,*  
 “ *during the whole of the period from 1792-3*  
 “ *to 1808-9, with the exception of two years only,*  
 “ 1805-6, and 1806-7, in which years the  
 “ charges of the Mahratta war and the arrears  
 “ of those charges bore with the greatest  
 “ pressure.”

“ It is however to be remarked, that other  
 “ demands which have *fallen upon the reve-*  
 “ *nues of India*, remain to be examined, before  
 “ it will be practicable to pursue the investi-  
 “ gation of the final results; these demands  
 “ are described in the column of the statement  
 “ as *supplies to Bencoolen, Penang, &c. and the*  
 “ *interest on the debts.*”

“ These several articles *cannot in either*

“ *case be considered as wholly of a political or*  
 “ *of a commercial description, although they*  
 “ *have uniformly been brought forward in the*  
 “ *accounts from year to year as a direct demand*  
 “ *upon the revenues of India and have very*  
 “ *materially affected the general result of the*  
 “ *same.*”

They subsequently add “ the column  
 “ *shewing the interest paid on the debts re-*  
 “ *quires but little remark in this place, as the*  
 “ *amount is governed entirely by that of the*  
 “ *debt itself; which being a point for separate*  
 “ *consideration, will be adverted to hereafter ;*”  
 and proceed to shew in what degree the  
 actual accounts of 1809 are “ *more unfavour-*  
 “ *able*” than the estimates of 1793, again ac-  
 counting for it in the same manner, viz, that  
 “ the additional supplies to Bencoolen, &c.  
 “ *but by far in the highest degree the increase*  
 “ *of the interest on the debts, have contributed*  
 “ *to prevent the exhibition of a surplus revenue,*  
 “ *as by the estimate of the year 1793.*”

2d Rep.  
p. 61.

Do. p. 62.

Upon these statements of the Honourable  
 Committee, I have to remark, that the sum of  
 2,373,831*l.* which they have considered as the  
 net revenue of 1808-9, agrees precisely with  
 the amount stated by me, being the difference  
 shewn in the account of that year (*p. 702.*)

between the gross revenue . . .	£15,525,055
and the charges, including those on subsidies and on ceded and conquered countries for the same year . . . . .	13,151,224

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Surplus 2,373,831

This surplus is, according to the report of the Committee, subject to reduction only by “the supply to Bencoolen, &c.” which they state in perfect agreement with me, at 158,208*l.* and the “interest on the debts,” which they quote from the Appendix, No. 6., as being charged by the Company in 1808-9 to the territorial revenue, 2,241,665*l.*, it having been in 1792-3, no more than 636,226*l.* — Now the Committee having in the broadest manner laid down, with reference to the charge of interest, the only principle consonant to common sense, viz., that the amount chargeable, is to be “*governed entirely by that of the debt itself,*” it might have been expected that this would not be a point left “for separate consideration,” and to be “adverted to hereafter,” but that here was the very period of the enquiry when it was proper to pause and ascertain, whether the state of the revenue had been such in any one or more years since

1793, as to require an additional territorial debt to *cover deficiencies of revenue*; and if so, to what amount, and especially whether the necessity had been such as to give legitimate occasion in 1808-9 to an increased annual interest of 1,605,439*l*. Yet, with the fact so plainly developed as to elicit the remark constantly reiterated, that the Indian revenue is annually increasing, but that the surplus is swallowed up chiefly by the enormously increased interest on debt, no such enquiry appears to have been instituted; the subject is for that occasion dismissed, or only continued for the purpose of exhibiting a view of the deterioration of the Company's concerns in India, between 1793 and 1809; and when in the Third Report, it is resumed in conformity with the promise to advert to it hereafter, the whole of this increased interest is in effect admitted against territorial revenue, without other explanation than occasional expressions of doubt and hesitation and dissatisfaction, as one of the means by which the "extraordinary revenues" of the Company are said to have been absorbed.

We have seen that the net revenue of India is correctly represented in the report of the Committee as being in 1808-9 . £2,373,831



Brought forward .....	£2,373,831
Subject to reduction by	
Supplies to Bencoolen, &c. correctly stated, at .....	£158,208
Interest on debts, <i>which the Report assumes at</i> .....	2,241,665
But subject likewise to further reduc- tion by the amount of political and territorial charges paid in England in that year, <i>which the Committee have omitted to notice</i> .....	550,766
	<hr/> 2,950,639

If then the amount of interest here quoted ap-  
pertains to additional debt really contracted to  
supply former defalcations of Indian revenue, the  
deficiency on this year 1808-9, would be .... 576,808

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But if on the contrary it can be shewn, that the  
amount of interest chargeable to the Indian re-  
venue in that year could not exceed 626,847*l.*,  
the account would stand thus—

Net revenue, as stated .....	2,373,831
Deduct	
Supplies to Bencoolen, &c. ....	158,208
Interest on debts (the true amount)..	626,847
Political and territorial charges paid in England .....	550,766
	<hr/> 1,335,821

Leaving an actual SURPLUS of *Indian territorial  
revenue for 1808-9, of* .....

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1,038,010

And that this was the true state of the case, I  
shall now proceed to establish upon the autho-

riety of the Parliamentary Reports and their accompanying Appendices.

On the 1st May, 1793, the Indian debt is in various parts of the reports represented to amount to 7,971,668*l.* and without stopping to enquire how the principal had been applied—whether for political objects, or for the benefit of the Company's commerce—we may for the present assume that the whole, and consequently the annual interest appertaining to it, was fairly chargeable upon the territorial revenues of India. The real question will then be, whether those revenues have been sufficiently productive since 1793 to admit of the payment of all appropriate political charges, together with this annual interest; or whether there has been such a defalcation of territorial revenue, as to require *any and what addition to the debt of 1793 in order to supply that deficiency*; and the Reports and Appendices, when combined and carried out to their necessary and infallible consequences, will present us with the most satisfactory and conclusive answer.

By the method I shall pursue in stating the amount of the revenues and territorial charges for each successive year, it will be impossible to avoid details and repetitions

which can hardly fail to be tedious ; but it will perhaps be allowed that this form of statement affords to an objector the utmost facility for investigation, by comparison with official documents, and the consequent detection of errors if such have been committed. The increased deficiency of territorial revenue since 1793, insisted on by the Honourable Company, if it exist, must have had a *commencement* ; and to nullify my conclusions, it will only be necessary to shew in what particular year I have either surcharged the Indian revenue, or omitted an amount of legitimate territorial disbursement of which they have rendered an account, and of which the admission would have converted my alleged surplus into a deficiency.

App. 6 to 2 Rep. p. 86.	In the year 1793-4, the gross revenues of India amounted to .....	£8,276,770
Do. p. 87.	The charges, including those on subsidies, &c. were .....	£6,066,924
Do. do.	Supply to Bencoolen, Penang, &c. ....	40,822
App. 46 to 3 Rep. p. 60.	Political charges paid in England ....	171,392
App. 6 to 2 Rep. p. 87.	Interest on debts as stated by the Company .....	526,205
		————— 6,805,343

There was therefore a surplus revenue this year  
of..... £1,471,427

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In 1794-5 the gross revenues amounted to.....	£8,026,193	App. 6 to 2 Rep. p.86.
The charges including those on subsi- dies, &c. ....	£6,083,507	Do. p. 87.
Supply to Bencoolen, Penang, &c.....	62,080	Do. do.
Political charges paid in England .....	163,399	App. 46 to 3 Rep. p.60.
Interest on debts as stated by the Com- pany.....	484,301	App. 6 to 2 Rep. p.87.
	<hr/> 6,793,287	

SURPLUS revenue of this year.....1,232,906  
To which add the surplus revenue of the former year 1,471,427

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State of the REVENUE at the end of 1794-5,  
SURPLUS .....£2,704,333

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In 1795-6 the gross revenues amounted to.....	£7,866,094	App. 6 to 2 Rep. p.86.
The charges including those on subsi- dies, &c.....	£6,474,247	Do. p. 87.
Supply to Bencoolen, Penang, &c. ....	104,154	Do. do.
Political charges paid in England ....	199,128	App. 46 to 3 Rep. p.60.
Interest on debts as stated by the Com- pany.....	414,750	App. 6 to 2 Rep. p.87.
	<hr/> 7,192,279	

SURPLUS revenue of this year..... 673,815  
To which add the surplus of former years ..... 2,704,333

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State of the REVENUE at the end of 1795-6,  
SURPLUS ..... 3,378,148

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App. 6 to 2 Rep. p. 86.	In 1796-7 The gross revenues amounted to.....	£8,016,171
Do. p. 87.	The charges including those on subsidies, &c.....	7,081,191
Do. do.	Supply to Bencoolen, {Penang, &c.....	101,190
App. 46 to 3 Rep. p. 60	Political charges paid in England .....	375,097
App. 6 to 2 Rep. p. 87.	Interest on debts as stated by the Company .....	426,847
		<hr/> 7,984,325
	SURPLUS Revenue of this year .....	31,846
	To which add the surplus of former years .....	3,378,148
		<hr/>
	State of the REVENUE at the end of 1796-7	
	SURPLUS .....	3,409,994
		<hr/>

Down to this period of 1796-7 it is obvious that there could be no necessity, with reference to any territorial or political expenditure, to increase the debt of 1793, so far were these revenues from having proved deficient that they had actually realized a surplus of 3,409,994*l.* after discharging all appropriate demands upon them including interest. If, therefore, the debt was increased within this period the necessity must have arisen from some other cause, and there can be but little difficulty in assigning the true one, viz. supplies to the commercial branch of the Com-

pany's concerns for distribution in England.  
What then were the facts respecting the IN-  
DIAN DEBT?—

In 1795-6 it was increased .....	£ 336,950	App. 7 to
and in 1796-7 further increased .....	2,006,851	2 Rep. p. 95.
	<hr/>	do. do.
	2,343,801	

Against which there had been		
paid off in 1793-4 .....	666,408	do. do.
and in 1794-5 .....	506,325	do. do.
	<hr/>	
	1,172,733	
	<hr/>	

Thus therefore in 1796-7 with a Surplus of territorial revenue amounting to 3,409,994*l.* which if not diverted to other purposes would have been applicable to the DIMINUTION of Indian debt that debt had sustained an INCREASE of ..... 1,171,068

which is charged together with the accruing interest upon the territorial revenues of India although it is manifest that no part of it was required, or could possibly have been applied in aid of those revenues.

Hitherto the interest as well as all other charges has been taken at the amount stated by the Company, being considered properly applicable to the territorial debt; but henceforward because in accordance with the Company's maxim that all increase of Indian debt, for whatever purpose required, belongs to territorial revenue, they have charged that revenue with a greatly enhanced amount of

interest, a different rule must be observed—and the Honourable Committee have dictated the course to be pursued, by declaring that it must be “*governed entirely by that of the debt itself.*” Now as it has been shewn that there was no *political* necessity for an augmentation of the DEBT, so neither could there be any *political* occasion for an increase of the INTEREST; which will therefore be continued at the amount of 1796-7 (all other charges being taken as indicated by the Company) until the circumstances of the territorial revenue, apart from all consideration of the requirements of COMMERCE, shall appear to demand an alteration.

App. 6 to 2 Rep. p. 86.	In 1797-8 the gross revenues amounted to ....	£8,059,880
Do. p. 87.	The charges including those on subsidies, &c., .....	7,411,401
Do. do.	Supply to Bencoolen, Penang, &c. ....	163,299
App. 46 to 3 Rep. p. 60.	Political charges paid in England ....	203,784
	Interest on debts as charged in 1796-7	426,847
		<hr/> 8,205,331
	DEFICIENCY of revenue this year .....	145,451
	To be deducted from the former surplus of ....	3,409,994
		<hr/>
	State of the REVENUE at the end of 1797-8	
	SURPLUS .....	3,264,543
		<hr/>
App. 7 to 2 Rep. p. 95.	Increase of Indian debt this year ....	1,723,855
	In addition to the increase in 1796-7 ..	1,171,068
		<hr/> 2,894,923

In 1798-9 The gross revenues amounted to ....	£8,652,033	App. 6 to 2 Rep. p.86
The charges including those on subsi- dies, &c.....	8,417,813	Do. p. 87.
Supply to Benoolen, Penang, &c. ....	120,668	Do. do.
Political charges paid in England ....	300,736	App. 46 to 3 Rep. p.60.
Interest on debts as charged in 1796-7..	426,847	
	<u>9,266,064</u>	
DEFICIENCY of revenue this year .....	614,031	
To be deducted from the former surplus .....	<u>3,264,543</u>	
State of the REVENUE at the end of 1798-9		
SURPLUS .....	<u>2,650,512</u>	
Increase of INDIAN DEBT this year ..	1,717,778	App. 7 to 2 Rep. p.95.
In addition to the former increase ....	2,894,923	
	<u>4,612,701</u>	

In 1799-1800 the gross revenues amounted to ..	£9,736,672	App. 6 to 2 Rep. p.86.
The charges including those on subsi- dies, &c.....	8,998,154	Do. p. 87.
Supply to Bencoolen, Penang, &c.....	171,363	do. do.
Political charges paid in England ....	273,817	App. 46 to 3 Rep. p.60.
Interest on debts as charged in 1796-7	426,847	
	<u>9,870,181</u>	
DEFICIENCY of revenue this year .....	133,509	
To be deducted from the former surplus of .....	<u>2,650,512</u>	
State of the REVENUE at the end of 1799-1800		
SURPLUS .....	<u>2,517,003</u>	
Increase of INDIAN DEBT this year ..	1,414,770	App. 7 to 2 Rep. p.95.
In addition to the former increase ....	4,612,701	
	<u>6,027,471</u>	



App. 6 to 2 Rep. p.86.	In 1800-1 the gross revenues amounted to....	£10,485,059
Do. p. 87.	The charges, including those on subsidies, &c. ....	£10,405,501
Do. do.	Supply to Bencoolen, Penang, &c.....	156,325
App. 46 to 3 Rep. p.60.	Political charges paid in England....	307,635
	Interest on debt as charged in 1796-7	426,847
		<hr/> 11,296,308
	DEFICIENCY of revenue this year.....	£811,249
	To be deducted from the former surplus of.....	2,517,003
		<hr/>
	State of the REVENUE at the end of 1800-1	
	SURPLUS .....	1,705,754
		<hr/>
App. 7 to 2 Rep. p.95.	Increase of INDIAN DEBT this year..	£2,611,307
	In addition to the former increase....	6,027,471
		<hr/> 8,638,778

App. 6 to 2 Rep. p.86.	In 1801-2 the gross revenues amounted to....	£12,163,589
Do. p. 87.	The charges including those on subsidies, &c. ....	£11,023,452
Do. do.	Supply to Bencoolen, Penang, &c.....	241,220
App. 46 to 3 Rep. p.60.	Political charges paid in England.....	482,730
	Interest on debts as charged in 1796-7..	426,847
		<hr/> 12,174,249
	DEFICIENCY of revenue this year.....	10,660
	To be deducted from the former surplus of.....	1,705,754
		<hr/>
	State of the REVENUE at the end of 1801-2	
	SURPLUS .....	£1,695,094
		<hr/>
App. 7 to 2 Rep. p.95.	Increase of INDIAN DEBT this year..	£1,793,437
	In addition to the former increase....	8,638,778
		<hr/> 10,432,215

In 1802-3 the gross revenues amounted to.....	£13,464,537	App. 6 to 2 Rep. p.86.
The charges, including those on subsi- dies, &c.....	£10,965,427	Do. p. 87.
Supply to Bencoolen, Penang, &c.....	196,848	Do. do.
Political charges paid in England.....	393,207	App. 46 to 3 Rep. p.60.
Interest on the debts as charged in 1796-7.....	426,847	
	<hr/> 11,982,329	
SURPLUS of revenue this year.....	1,482,208	
To be added to the former surplus of.....	1,695,094	
	<hr/>	
State of the REVENUE at the end of 1802-3		
SURPLUS .....	3,177,302	
	<hr/>	
Increase of INDIAN debt this year..	£1,168,373	App. 7 to 2 Rep. p.95.
In addition to the former increase	10,432,215	
	<hr/> 11,600,588	
	<hr/>	

With reference to this period of 1802-3, there is in the second Report of the Select Committee of the House of Commons (page 63) this very striking observation : “ On the “ eleven years 1792-3 to 1802-3, the revenues “ of India have proved more than sufficient “ to defray every demand for expence of ad- “ ministration and government and the inter- “ est on the debts, by the sum of 3,734,445*l*.

It will be borne in mind that I commence my statements one year later, viz. in 1793-4,

which with the difference of interest and the omission of the Honourable Committee to debit the revenue with the political charges paid in England, will account for the discrepancy between my surplus in 1802-3, 3,177,302*l.* and the larger amount admitted by them, 3,734,445*l.* The accuracy of this calculation by the Honourable Committee is not the matter now in question : but the circumstance calculated to excite surprise, is, that while making this declaration of a large SURPLUS OF REVENUE during those years, the Honourable Committee should not have adverted to the contemporaneous fact, that the INDIAN DEBT had in the mean time (or from 1793-4 to 1802-3) been *increased in no less an amount than* 11,600,588*l.*, and charged, together with the interest, to “ territorial revenue.” How can the co-existence of a SURPLUS REVENUE of 3,734,445*l.*, and an AUGMENTATION OF DEBT to the amount of 11,600,588*l.*, *ostensibly contracted to supply the DEFICIENCIES of that revenue* be reconciled?—Is it possible that any part of these eleven millions should have been applied to the “ administration and government” of India? The Honourable Committee negative the supposition in the most decisive manner : they inform us (most truly) that the revenues of India have proved

“ more than sufficient” for those purposes during the period wherein the debt was incurred. To what purpose, then, has this amount been applied if not to the assistance of the commercial branch of the Company’s affairs ? This is a question to which no satisfactory answer is to be found in any part of these voluminous documents. The Honourable Committee have indeed informed us, that in the *succeeding* six years, 1803-4 to 1808-9, 2 Rep. p.63. “ those demands being greatly increased, the “ revenues were not found sufficient for their “ discharge, or in other words the demands “ exceeded the revenues in the sum of “ 8,722,121/.” But the demands can only be shewn to have exceeded the revenues in this amount, by admitting as a charge against the revenue in these six years no less a sum than 11,513,451/., for “ INTEREST ON DEBTS” including interest on the increased debt of 1802-3, of which we have just seen that the principal could neither have been wanted nor used on territorial account ; and this increment of Indian debt is gradually augmented until we shall find it amount in 1808-9 to 22,905,123/., in addition to the original debt of 1793.



App. 6 to 2 Rep. p. 86.	In 1803-4, the gross revenues amounted to ..	£13,271,385	
Do. p. 87.	The charges, including those on sub- sidies, &c. ....	13,001,083	
Do. do.	Supply to Bencoolen, Penang, &c. ..	304,056	
App. 46 to 3 Rep. p. 60.	Political charges paid in England ..	435,224	
	Interest on debts as charged in 1796-7 .....	426,847	
		<hr/>	14,167,210
	DEFICIENCY of revenue this year .....		895,825
	To be deducted from the former surplus of .....		3,177,302
		<hr/>	
	State of the REVENUE at the end of 1803-4 —		
	SURPLUS .....		2,281,477
		<hr/>	
App. 7 to 2 Rep. p. 95.	Increase of INDIAN DEBT this year..	2,549,229	
	In addition to the former increase ..	11,600,518	
		<hr/>	14,149,817

App. 6 to 2 Rep. p. 86.	In 1804 5, the gross revenues amounted to ....	£14,949,395	
Do. p. 87.	The charges, including those on sub- sidies, &c. ....	14,548,433	
Do. do.	Supply to Bencoolen, Penang, &c... ..	372,163	
App. 46 to 3 Rep. p. 60.	Political charges paid in England ..	485,604	
	Interest on debts as charged in 1796-7 .....	426,847	
		<hr/>	15,833,047
	DEFICIENCY of revenue this year .....		883,652
	To be deducted from the former surplus of.. ..		2,281,477
		<hr/>	
	State of the REVENUE at the end of 1804-5—		
	SURPLUS .....		1,397,825
		<hr/>	
App. 7 to 2 Rep. p. 95.	Increase of INDIAN DEBT this year..	3,505,149	
	In addition to the former increase..	14,149,817	
		<hr/>	17,654,966

Here it may be expedient again to pause and consider the relative circumstances of the "territorial revenue," and of the "Indian debt." We have seen that from 1793-4 to 1804-5 inclusive, there was not a single year in which the state of the revenue rendered it necessary to have recourse to loans for political purposes: throughout the whole period, notwithstanding occasional deficiencies in particular seasons, the revenue has been found equal to the discharge of all territorial demands, and allowing at the end of each year a surplus, sometimes of several millions, but never of so small an amount as a million sterling, to remain in the treasury on revenue account. Yet, during this period, we have also seen the Indian debt augmented by no less a sum than 17,654,966*l.*, no part of which was required to cover deficiencies of Indian revenue. The solution of this otherwise inexplicable inconsistency is to be found in the extract quoted at (*p.* 671,) from the Report of the Honourable Committee of the House of Commons, from which we learn, that the Indian treasury was alike open to the commercial, as to the territorial agents of the Company; and the defalcation occasioned by advances to the former, for investments to China and England, beyond the amount of remittances

from Leadenhall Street, was supplied by loans, which, with their accompanying interest, are fixed upon the “territorial revenue” of India.

We now, however, approach the period, when increased territorial charges, including arrears incurred during the Mahratta war, rendered necessary a loan for political purposes in aid of Indian revenue; but it will be seen that the exigency was limited in amount, and temporary in duration, and that a loan of 2,500,000*l.* from 1806-7 to 1811-12, would have been fully adequate to the occasion.

App. 6 to 2 Rep. p.86.	In 1805-6, the gross revenues amounted to .....	£15,403,409
Do. p. 87.	The charges, including those on sub- sidies .....	15,561,328
Do. do.	Supply to Bencoolen, Penang, &c...	250,599
App. 46 to 3 Rep. p.60.	Political charges paid in England ..	575,795
	Interest on debts as charged in 1796-7.....	426,847
		<hr/> 16,814,569
	DEFICIENCY of revenue this year .....	1,411,160
	Deduct the surplus of former years.....	1,397,825
		<hr/>
	And the REVENUE is found at the end of this year, DEFICIENT upon the whole period.....	13,335
		<hr/>
App. 7 to 2 Rep. p.95.	Increase of INDIAN DEBT this year..	2,875,408
	In addition to the former increase..	17,654,966
		<hr/> 20,530,374

In 1806-7, the gross revenues amounted to	....£14,535,739	App. 6 to 2 Rep. p. 86.
There had also been received on account of the Chinsurah cause	..... 54,601	App. 28 to 4 Rep. p. 85.
And it was further necessary to raise by loan	.... 2,500,000	

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17,090,340

The charges, including those on sub- sidies, &c.	..... 15,283,908	App. 6 to 2 Rep. p. 87.
Supplies to Bencoolen, Penang, &c...	179,197	Do. do.
Political charges paid in England	.. 492,083	App. 46 to 3 Rep. p. 60.
Interest as charged in 1796-7,	426,847	
Add interest on 2,500,000 <i>l</i> .		
at 8 per cent. ....	200,000	

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626,847

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16,582,035

There would therefore remain of the revenue and loan	..... 508,305
Deduct the deficiency of the former period	.... 13,335

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And the state of the REVENUE at the end of  
1806-7, would be SURPLUS..... 494,970

Increase of INDIAN DEBT this year..	1,742,302	App. 7 to 2 Rep. p. 95.
In addition to the former increase ..	20,530,374	

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22,272,676



App. 6 to 2 Rep. p.86.	In 1807-8, the gross revenues amounted to	....£15,669,905
Do. p. 87.	The charges, including those on sub- sidies, &c. ....	13,624,622
Do. do.	Supply to Bencoolen, Penang, &c. ..	128,737
App. 46 to 3 Rep. p.60.	Political charges paid in England ..	505,797
	Interest as charged in 1796-7, 426,847	
	And on 2,500,000 <i>l.</i> , at 8 per cent. ....	200,000
		<u>626,847</u>
		<u>14,886,003</u>
	SURPLUS of revenue this year .....	783,902
	Add surplus of the former year .....	494,970
		<u>1,278,872</u>
	State of the REVENUE at the end of 1807-8— SURPLUS .....	1,278,872
App. 7 to 2 Rep. p.95.	Increase of INDIAN DEBT this year...	1,763,478
	In addition to the former increase ..	22,272,676
		<u>24,036,154</u>

App. 6 to 2 Rep. p.86.	In 1808-9, the gross revenues amounted to	....£15,525,055
Do. p. 87.	The charges, including those on sub- sidies, &c. ....	13,151,224
Do. do.	Supply to Bencoolen, Penang, &c... ..	158,208
App. 46 to 3 Rep. p.60.	Political charges paid in England ..	550,766
	Interest as charged in 1796-7, 426,847	
	And on 2,500,000 <i>l.</i> at 8 per cent. ....	200,000
		<u>626,847</u>
		<u>14,487,045</u>
	SURPLUS of revenue this year .....	1,038,010

Brought forward .....	£1,038,010
Add surplus of former years .....	1,278,872
<hr/>	
State of the REVENUE at the end of 1808-9 —	
SURPLUS .....	2,316,882
<hr/>	
In this year a part of the INDIAN	
DEBT was paid off, viz. ....	1,131,031
Which being deducted from the	
amount in 1807-8 .....	24,036,154
<hr/>	
Leaves the amount of INDIAN DEBT	
in 1808-9 .....	22,905,123

App. 7 to  
2 Rep. p. 95.

At this period of 1808-9, the date to which the “Reports” quoted extend; we find that the true state of the Indian territorial revenue, *if unincumbered by* COMMERCE, would have been the surplus above stated 2,316,882*l.*;

But with an addition of .....	£2,500,000
To the debt of May 1793 .....	7,971,668
Total amount of Indian debt, from	
which alone the “territorial reve-	
“nue” required, or could have re-	
ceived assistance .....	10,471,668

While in point of fact, to the Indian	
debt of 1793 .....	7,971,668
There had been an addition of .....	22,905,123
Total amount of Indian debt, for	
which territorial revenue has been	
made responsible .....	30,876,791

Balance—being the amount which in	
1808-9 “TERRITORIAL REVE-	
NUE” by being made responsible	
for “INDIAN DEBT” <i>had contri-</i>	
<i>buted to</i> “COMMERCE.” .....	20,405,123

3 Rep. p. 1.

App. 6 to  
2 Rep.

The Honourable Committee, in concluding their Second Report, profess to have disposed of “ that branch of the financial system of the “ East India Company, comprising the ORDINARY receipt and expenditure or the revenues and charges of the territorial possessions in India.” It has been shewn, that *on the eleven years, 1792-3 to 1802-3*, they admit a revenue “ more than sufficient to defray “ every demand for expence of administration “ and government, and the interest on the “ debt ;” but it is alleged that subsequently, viz., from 1803-4 to 1808-9, the demands exceeded the revenues, so that *upon the whole period, from 1792-3 to 1808-9*, there was an excess of political charge beyond the revenue, of 4,987,676*l.* ; afterwards adjusted to 5,078,015*l.*—but this excess of charge is admitted to exist, only “ *after defraying the interest on the debts,*” and the amount debited for that interest, for the whole period, is no less a sum than 20,095,222*l.* The Committee have, in various parts of the Reports, intimated a thorough consciousness that the whole of this charge ought not to have been admitted against the territorial revenues, but have struggled with the apparent difficulty of ascertaining with precision, what portion of it should be fixed upon the commercial branch

of the Company's affairs. It is respectfully submitted, that in the preceding pages incontestable proofs have been adduced, that no part of the principal, or interest, of the increased Indian debt, (except the 2,500,000*l.* wanted in 1806-7,) properly attaches to territorial revenue; of which the annual progress has been traced from indisputable authorities simultaneously with the annual progress of Indian debt; and the result is found to be, that from 1793-4 to 1808-9 inclusive, there had been an accumulation of 20,405,123*l.* of debt, beyond what could have been necessary for the purposes of revenue; which, therefore, can only have been created *through the necessity of providing* COMMERCIAL ASSETS.

The Honourable Committee in their Second Report, p. 65, have entered into a discussion, of which the object is, "to shew the whole  
 " extent of the positive demands upon the  
 " resources of India in the way of charge, *both*  
 " *political and commercial*, in order to form  
 " some idea how far the money raised upon  
 " loan, which will appear in the increase of  
 " the debt, may have been on account of  
 " those demands," and they arrive at the conclusion, that of the increased debt, from 1792-3 to 1808-9, which they  
 state at . . . . . £21,734,068



Brought forward . . .	£21,734,068
A portion is accounted for in increased assets, <i>territorial and commercial</i> , in 1808-9, over those of 1792-3 . . .	12,580,730

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And the balance they consider as “ the amount which on this “ view, the concern in India is “ stated to have <i>deteriorated</i> “ during the period under “ examination,” viz. . . .	9,153,338
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Which by subsequent “ adjust- “ ments” they have found 3 Rep. p. 14. reason to extend to . . .	*£12,606,528
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This “ deterioration” announced by the Committee, is, in the language of merchants, a loss from 1792-3 to 1808-9 of 12,606,528*l.* ; though it is admitted that this result cannot

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\* This is the alleged deterioration *in India*. In their Fourth Report, pages 37, 38, and 40, they have entered into an examination of the Company’s affairs *at home*, and have stated, as the combined result of the Company’s concerns in *Europe and India—territorial—commercial—and doubtful whether territorial or commercial*—a deterioration from April, 1792, to April, 1809, of 11,020,566*l.*

be depended on as perfectly accurate: but the question discussed by the Honourable Committee, although appearing upon the first view to have some affinity to the subject we have been considering, is *nevertheless perfectly distinct from it*. Our enquiry is this — Has the commercial branch of the Company's concerns been relieved to any and what amount from their territorial revenues? The answer is, that from 1793-4 to 1803-9 it had been so assisted to the amount of 20,405,123*l.*; and this result cannot be affected by any consideration connected with increase of assets, because the cost of those assets, so far as they are territorial, is understood to be included in the charges.\* The Honourable Committee have forborne to grapple with this question in any other way, than by taking for granted that all the interest on the whole Indian debt must be charged to account of the revenue, thereby diminishing the proportion of loss which

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\* “ These stores (speaking of dead stock) are composed  
 “ partly of stores purchased and paid for in India, and partly  
 “ of stores purchased and paid for in England: the cost of  
 “ the former *has been included in the Indian charges* — the  
 “ cost of the latter *has been stated in the home charges*.”—  
 Papers printed Feb. 1830, No. 19, p. 40.

would otherwise fall upon commerce, by producing an apparent deficiency of revenue, to be supplied by loans ; but if there were no deficiency of revenue beyond what has been shewn, it necessarily follows that this admitted loss of 12,606,528*l.* was a *loss by* COMMERCE.

App. 26 to  
3 Rep.

In the 3rd Report the Honourable Committee have engaged in elaborate and somewhat abstruse calculations, to show the probable application of the “ EXTRAORDINARY ” receipt and disbursement of India from 1792-3 to 1808-9 inclusive ; for which purpose they bring to the debit of the statement the *loans in India* and the *supplies from England* ; and to the credit the *political and commercial* disbursements, to which in their judgment the former have been applied ; beginning with the alleged excess of political charges, 5,078,015*l.* before alluded to : but in this, as in other instances, the real question at issue is altogether avoided. If it were asked whether the Company can account by *commercial and political* disbursements, for the whole of their receipts, including Indian loans, the results given might be received as sufficiently conclusive ; but when it is further enquired how much of these is properly *political*, and how

much *commercial*, we discover that an additional process is necessary. Let us then try the effect of separating from the blended statement of the Honourable Committee, so far as circumstances will permit, those facts which are *certainly and exclusively* COMMERCIAL.

In the statement No. 26, Appendix to Third Report, we have a list of disbursements clearly commercial, or in direct supply of England, including the net supplies from India to China, amounting to .....£34,597,435

In the same statement we have an account of loss on remittances and consignments from port to port in India ..... 873,403

(And losses at the several presidencies, not included in the charges, which may be either territorial or commercial, 461,428*l.*)

In page 11 of the Third Report we are apprised that in the "*charges of India*," is included a sum paid on account of Ceylon and the Dutch settlements, to be received in England from His Majesty's government..... 3,675,533

(Mem. I do not here debit commerce with a further sum of 3,313,268*l.* also to be received from His Majesty's Government on the same account charged in the "*Interest paid in India*," having



Brought forward .....£39,146,371  
 in my statements only admitted as a  
 charge of interest against territorial re-  
 venue, the sum properly due on territorial  
 debt.)

In page 14 of the Third Report, we have a  
 statement of “deterioration,” or *loss*, as  
 before mentioned, which is certainly com-  
 mercial ..... 12,606,528

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Making together an amount supplied to com-  
 merce of ..... 51,752,899

Now how much of this amount has  
 commerce supplied from its own resour-  
 ces? The Honourable Committee an-  
 swer that question in their statement  
 No. 26, Appendix to the Third Re-  
 port.

“Received in supplies from England —  
 “Sales of goods and stores.....£8,904,068  
 “In bullion ..... 7,360,752  
 “For bills of exchange on the  
 “Court of Directors, including  
 “those for principal and interest  
 “of the debts..... 14,746,038  
 “Received on sundry accounts.. 393,372

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The whole amount, then, which has  
 been contributed by the commercial  
 branch towards the 51,752,899*l*.  
 supplied to it, is only ..... 31,404,230

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Leaving an amount which has been derived from  
 other sources, not commercial, and, therefore,  
 from territorial revenues, or through the me-  
 dium of loans, with which territorial revenue is  
 charged .....£20,348,669

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The correspondence of this amount with the result of the annual statements of revenue and loan accounts in *p.* 703, though remarkable, is not the circumstance relied on in proof of the correctness of the principle, by which territorial revenue had through that process, being found a creditor of commerce 20,405,123*l.*; perfect accuracy is not to be expected from any *separate* statement of the *commercial* concerns of the Company, founded only on the inadequate documents laid before Parliament; but the accounts of *Indian Revenue* are not in the same degree open to the same objection; and upon these must rest the PROOF of the true relations between the two branches of the Company's affairs.

I proceed to state, upon the same principles, the Revenue Accounts of the subsequent years, from the same authorities.

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Papers, Feb. 1830, No. 2, p. 14.	In 1809-10, the gross revenues amounted to ....	£16,464,391
App. 46 to 3rd Rep. p. 60.	And there had been received from His Majesty's Government for political freight and demurrage	289,076
		<hr/>
		16,753,467

Papers, Feb. 1830, No. 2, p. 15.	The charges, including those on ceded and conquered countries, as stated	£13,775,577
Do. do.	Net charge of Bencoolen, Prince of Wales' Island, &c.....	119,540
Do. do.	Net charge of St. Helena .....	83,821
Do. do.*	Territorial charges paid in England..	1,037,225
	Interest on debts, as in 1796-7 .....	426,847
	And one year's interest on 2,500,000 <i>l.</i> .....	200,000
		<hr/>
		626,847
		<hr/>
		15,663,010
	SURPLUS revenue of this year.....	1,090,457
	Add surplus of former years .....	2,316,882
		<hr/>
	State of the REVENUE at the end of 1809-10 —	
	SURPLUS .....	3,407,339
		<hr/>

Papers, Feb. 1810, No. 3, p. 25.	Increase of INDIAN DEBT this year..	£1,089,269
	In addition to the former increase ..	22,905,123
		<hr/>
		23,994,392
		<hr/>

\* In 1808-9, the “estimate” given for political charges in 1809-10, is 565,931*l.*—(App. 46 to Third Report.)

In 1810-11, the gross revenues amounted to ....	16,679,198	Papers, Feb. 1830, No. 2. p. 14.
The charges, including those of ceded and conquered countries .....	£13,909,983	Do. p. 15.
Net charge of Bencoolen, Prince of Wales Island, &c. ....	108,443	Do. do.
Net charge of St. Helena .....	81,220	Do. do.
Territorial charges paid in England..	1,119,391	Do. do.
Interest on debts, as in 1796-7 .....	426,847	
And one year's interest on 2,500,000 <i>l.</i> .....	200,000	
	<hr/> 626,847	
	<hr/> 15,845,884	
SURPLUS of revenue this year .....	833,314	
Add surplus of former years .....	3,407,339	
	<hr/>	
State of the REVENUE at the end of 1810-11 —		
SURPLUS .....	4,240,653	
	<hr/>	
Indian Debt paid off this year ....	3,471,578	Papers, Feb. 1830, No. 3. p. 25.
To be deducted from the increase of former years .....	23,994,392	
	<hr/> 20,522,814	
	<hr/>	

In the succeeding year, 1811-12, there was so large a surplus of revenue, as, being added to the existing surplus, to admit of the repayment of the loan of 2,500,000*l.* rendered necessary in 1806-7 by a deficiency of revenue in that and some preceding years ; which sum



will therefore be charged to the account, and the interest will henceforward be reduced to the amount in 1796-7, as appertaining to the debt of 1793, until the accumulation of surplus revenue shall furnish a sufficient fund for the discharge of that debt also; when the charge of interest will cease altogether.

Papers, Feb. 1830.	In 1811-12 the gross revenues amounted to.....	£16,605,616
No.2. p. 14.	The charges, including those on ceded	
Do. p. 15.	and conquered countries.....	£13,220,967
Do. do.	Net charge of Bencoolen, Prince of Wales Island, &c. ....	86,434
Do. do.	Net charge of St. Helena.....	81,854
Do. do.	Territorial charges paid in England..	1,077,768
	Interest on the debt of 1793 as in 1796-7 .....	426,847
	LOAN OF 1806-7 repaid .....	2,500,000
		<hr/> 17,393,870
	DEFICIENCY on this year's account, after charging loan repaid .....	788,254
	To be deducted from the former surplus .....	4,240,653
		<hr/>
	State of the REVENUE at the end of 1811-12 — SURPLUS.....	3,452,399
		<hr/>
Papers, Feb. 1830.	Increase of INDIAN DEBT this year..	1,440,521
No.3. p. 25.	In addition to the former increase ..	20,522,814
		<hr/> 21,963,335
		<hr/>

In 1812-13 the gross revenues amounted to ....	£16,459,774	Papers, Feb. 1830. No. 2. p. 14.
The charges, including those on ceded and conquered countries .....	13,659,429	Do. p. 15.
Net charge of Bencoolen, Prince of Wales' Island, &c. ....	118,357	Do. do.
Net charge of St. Helena.....	82,992	Do. do.
Territorial charges paid in England..	1,378,760	Do. do.
Interest on the debt of 1793 .....	426,847	
	<hr/> 15,666,385	
SURPLUS revenue this year.....	793,389	
Add the surplus of former years.....	3,452,399	
State of the REVENUE at the end of 1812-13 — SURPLUS.....	4,245,788	
Increase of INDIAN DEBT this year..	289,897	Papers, Feb. 1830. No. 3. p. 25.
In addition to the former increase....	21,963,335	
	<hr/> 22,253,232	

We are now arrived at the year wherein the Act of Parliament of 1793, 32 Geo. 3. c. 52, approaches its termination, and in taking a retrospect of the financial operations of the intervening period, are naturally led to revert to those provisions of the Act by which they were intended to be directed and controlled. It purports to be “ An Act (amongst other “ things) for appropriating to certain uses the “ revenues and profits of the Company ;” and

the 107th section prescribes the appropriation of the SURPLUS TERRITORIAL REVENUE OF INDIA, after “defraying all the charges and “expenses of raising and maintaining the “forces, as well European as Native, military “and marine, on the establishment in India, “and of maintaining the forts and garrisons “there, and providing warlike and naval “stores;” to the following objects, and in the following order of preference —

“*In payment of the interest accruing on the “debts owing, or which may be hereafter incurred “by the said Company in India:*”

“In defraying the civil and commercial “establishments of the said Company at “their several settlements there:”—

In the issue, of not less than a crore of rupees, or a million sterling annually for providing investments for India and China, to be increased in proportion to the *reduction* of the debt; *and to the liquidation of the debt itself*; or to such other purposes as the Court of Directors, with the consent of the Board of Control, may direct.

The first observation forced upon the attention of every one who considers these provisions of the Act, must necessarily be, that they confidently anticipate a very large annual surplus of territorial revenue, and

consequently, that nothing could be more distant from the contemplation of the legislature, than an augmentation of the existing Indian debt for the purpose of assisting the revenue; since it is the surplus only which is to be applicable to the objects above described. The 108th section, in providing for the transfer of a portion of the Indian debt to England, to be there discharged, distinctly recognizes the expectation that it will be reduced to two millions sterling; and the 112th section is, as follows:—

“ Provided also, and be it further enacted,  
 “ that if the debts of the said Company in India,  
 “ *after the same shall have been reduced to two*  
 “ *crores of current rupees, or two millions of*  
 “ *pounds sterling, shall be again increased be-*  
 “ *yond that amount,* or if their bond debt in  
 “ Great Britain, after the same shall have  
 “ been reduced to one million five hundred  
 “ thousand pounds, shall be again increased  
 “ beyond that sum, then, and so often as  
 “ either of those cases shall happen, the like  
 “ appropriations as are hereinbefore directed,  
 “ or authorized to be made for the reduction of  
 “ the said present debts shall again take place,  
 “ and be made for the reduction of the said  
 “ new debts respectively, until the whole of  
 “ the debts of the said Company in India shall



“ be again reduced to two crores of current  
 “ rupees, and their bond debt in Great Britain  
 “ to one million five hundred thousand pounds,  
 “ anything in this Act contained to the con-  
 “ trary notwithstanding.”

And it is only with reference to, and in the strictest connexion with this section, that the provision for the payment of interest on debts, “ which may be *hereafter* incurred” by the Company, can reasonably be interpreted. It cannot be supposed to have been intended to provide from the actual SURPLUS of Indian revenue, for the payment of interest upon loans required to supply the actual DEFICIENCIES of that revenue. There is a manifest contradiction upon the face of the proposition ; and accordingly we find, that during the two years next succeeding the passing of the Act, the Company proceeded upon the *spirit* of its injunctions, and applied a portion of the surplus revenue to the reduction of the debt.

In the year 1793-4, there was a  
 surplus revenue, after payment  
 of all charges in India and En-  
 gland, and all interest on debts,  
 as stated, *p.* **688**, of . . . £1,471,427

Out of which was paid a part of the  
 debt, amounting to . . . 666,408

Leaving a net surplus of . . . 805,019

In the year 1794-5, the surplus revenue, after paying all charges in India and England, and all interest on debts, was, as stated, *p.* 689. . . . . 1,232,906

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2,037,925

And in that year, a farther portion of the debt was paid off, amounting to . . . . . 506,325

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App. 7 to  
2 Rep. p. 95.

Leaving a net surplus of . . . 1,531,600

In 1795-6, the surplus revenue, after paying all charges in India and England, and all interest on debts, was, as stated, *p.* 689. . . 673,815

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At this juncture, therefore, there should have remained, after the application of 666,406*l.* and 506,325*l.* to the reduction of Indian debt, a clear and indisputable balance of territorial revenue, applicable to its further reduction, amounting to . . . 2,205,415

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Yet in this year, 1795-6, the Indian debt, instead of being reduced, was *increased* by the

App. 7 to  
2 Rep. p. 95.

App. 7 to  
2 Rep. p. 95.

amount of 336,950*l.*, and in the following year, *with a still continued surplus revenue*, it was further augmented in no less a sum than 2,006,851*l.*

THE REVENUE and the DEBT, we perceive, are now proceeding in an inverse ratio to each other, and it is impossible to reconcile them, upon any other hypothesis, than that the surplus appertaining to the former, was required for the accomplishment of some object altogether unconnected with the reduction of the latter, and equally impossible to suggest any other than the necessities of the Company's COMMERCE. If, indeed, the clause before referred to, providing for the payment of interest on debts, "which may be hereafter incurred," is to be construed according to the letter, independently of the context, and without the restrictions above suggested, it may be considered to include the Honourable Company's warrant for charging an indefinite amount of debt and interest, for whatever purpose required, to territorial revenue; and it follows, that from the moment when that Act received the Royal assent, the Honourable Directors might discharge from their minds all anxiety respecting dividends at home, so long as a crore of rupees could be had upon loan in India, and the revenue there continued

sufficiently productive to supply all territorial charges, together with the additional interest thus created. But it is submitted that this could not have been the intention of the legislature, who have required in the 111th section, that these dividends shall be paid from “ the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all other profits of the said Company in Great Britain,” and did not contemplate the state of things which has actually subsisted for a long succession of years, viz., that these “ net proceeds” in Great Britain, were only, or chiefly, to be obtained in sufficient amount for the purpose, by the application of surplus territorial revenue and Indian loans, to the purchase of investments for England in India and China.

Preliminary to the Act of 21st July, 1813, 53 Geo. 3. c. 155, now in operation, the parliamentary investigations had been instituted, to which references have been made in the preceding pages; and it is not perhaps very surprising, all circumstances considered, that these should have issued in the introduction into the present Act of a provision in the 55th section, respecting the payment of interest on the Indian debt, similar in effect to that above quoted; but in the same connexion with ano-



ther section, the 59th, contemplating a reduction of the debt (no longer to two millions, but) to ten millions sterling, and therefore to be understood in the same sense. If this fixing the interest of the present and future debt upon the territorial revenue, is necessarily to be construed into a declaration by Parliament that the existing debt was contracted for territorial purposes, it must also be received as a permission by the same authority to the Honourable Company to go on, illimitably and without explanation, increasing the Indian debt to whatever amount, and for whatever purpose they may deem expedient; which will hardly be contended for. It is much more reasonable to conclude, that this enactment proceeded from a very different view of the subject; the Honourable Committee had ascertained the existence of a debt in India, amounting to twenty millions sterling, for the principal and interest of which the lenders had a right to expect adequate security. To have declared explicitly that it was contracted for commercial purposes, would have been to assign an extraordinary reason for affixing the whole burthen upon territory; while, on the other hand, there was sufficient evidence that commerce was unable to bear any portion of it. In the mean time, the facts

could not be altered : there was the debt ; the principal had certainly been expended ; the general affairs of the Company were found to have “ *deteriorated*” in a large amount ; and territorial revenues presented the only source from which there could be any reasonable hope of obtaining the interest ; but these were found to be in a flourishing state and considered capable of supplying deficiencies in the other branch of the Company’s concerns. Accordingly, we find, in the 58th section, a provision, that in the event of the commercial profits at home being insufficient to pay the dividend of 10 per cent., “ it shall and “ may be lawful to make good any such deficiency out of any SURPLUS REVENUE that “ may have arisen in the preceding year of “ account out of the territorial revenues, after “ the payment of all charges, interest of debt “ included.”

It is not necessary to determine whether it was with the same confidence in the solidity of the Indian revenues, that an Act of Parliament was passed in the 52d year of Geo. 3. c. 135, (18th July, 1812,) intituled, “ An Act “ for advancing two millions, five hundred “ thousand pounds to the EAST INDIA COMPANY, to enable them to discharge part of “ *their EAST INDIAN debt.*” It provided for

the interest and a sinking fund to redeem the principal ; *the whole was to be deemed a territorial charge, and to be accounted for as such out of the produce of the revenues of India.* But the circumstances connected with this loan to the Company are these : they received the money in London, *ostensibly, as we have seen, for the purpose of discharging a part of the Indian debt ; yet neither in 1812, 1813, 1814, 1815, 1816, 1817, 1818 or 1819, was the Indian debt reduced in the smallest degree ; on the contrary, from 1812-13 to 1819-20 inclusive, we find it increased, in no less an amount than 10,176,033*l.**

Sect. 64.

The consideration of these facts, will enable us to estimate correctly the practical tendency of that clause in the Act of 1813, which prescribes, that the Honourable Company shall keep distinct books of account at their several presidencies and settlements, of the territorial, and political, and commercial branches of their affairs respectively ; “ and “ that the same shall be made up in such “ manner, that the said books shall contain “ and exhibit the accounts of the territorial “ and political departments separately and “ distinctly from such as appertain to, or are “ connected with, the commercial branch of “ their affairs.” The fair and legitimate ob-

ject of such a separation of accounts, could only be the apportioning to each that share of the general burthens properly belonging to it; and what is the load which is now bearing down and overwhelming the Honourable Company's concerns, if not their commercial losses, superadded to the Indian debt and its consequences? But in these annual statements to recognize as an established and admitted principle, that all Indian debt present and future, and all interest thereon, shall be charged to territorial revenue, if that enactment was intended to be unlimited, and without reference to the *application of the principal funds*, however necessary it may be for the security of Indian creditors, or expedient for the satisfaction of British proprietors, is, as it regards real information and disclosure, to shut the door against enquiry—to prevent any effectual analysis of the accounts—to frustrate the avowed object, and by the means of this very separation to perpetuate the existing delusion.

In proceeding therefore through the series of statements laid before Parliament, in pursuance of the latter Act, I cannot admit *as a matter of fact*, that the whole of the interest on Indian debt has been incurred by the necessity of supplying deficiencies of Indian



revenue, in opposition to the positive and unequivocal evidence of the contrary, supplied by the Company's documents, but must adhere to the principle laid down by the Honourable Committee, which prescribes that the amount of interest to be charged to revenue, must be governed by that of the debt required for the service of the revenue.

Papers, Feb. 1830, No. 2, p. 14.	In 1813-14, the gross revenues amounted to ..	£17,228,711
Do. p. 15.	The charges, including those on ceded and conquered countries .....	13,617,725
Do. do.	Net charge of Bencoolen, Prince of Wales's Island, &c. ....	114,703
Do. do.	Net charge of St. Helena.....	95,254
Do. do.	Territorial charges paid in England..	1,212,413
	Interest on the debt of 1793 .....	426,847
		<hr/> 15,466,942
	SURPLUS revenue this year.....	1,761,769
	Add the surplus of former years .....	4,245,788
		<hr/>
	State of the REVENUE at the end of 1813-14—	
	SURPLUS .....	6,007,557
		<hr/>
Papers, Feb. 1830,	Increase of INDIAN DEBT this year..	945,433
No. 3, p. 25.	In addition to the former increase ..	22,253,232
		<hr/>
		£23,198,665
		<hr/>

In 1814-15, the gross revenues amounted to ..	£17,231,191	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those on ceded and conquered countries .....	14,182,451	Do. p. 15.
Net charge of Bencoolen, Prince of Wales's Island, &c.....	112,163	Do. do.
Net charge of St. Helena .....	92,087	Do. do.
Territorial charges paid in England..	1,194,596	Do. do.
Interest on the debt of 1793 .....	426,847	
	<hr/> 16,008,144	
SURPLUS revenue this year.....	1,223,047	
Add the surplus of former years .....	6,007,557	
	<hr/>	
State of the REVENUE at the end of 1814-15—		
SURPLUS .....	7,230,604	
	<hr/>	
Increase of INDIAN DEBT this year..	1,671,183	Papers, Feb. 1830, No. 4, p. 27.
In addition to the former increase ..	23,198,665	
	<hr/> £24,869,848	
	<hr/>	
In 1815-16, the gross revenues amounted to ....	£17,168,195	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries .....	15,081,587	Do. p. 15.
Net charges of Bencoolen, Prince of Wales's Island, &c.....	127,853	Do. do.
Net charges of St. Helena .....	97,705	Do. do.
Territorial charges paid in England..	1,281,885	Do. do.
Interest on the debt of 1793 .....	426,847	
	<hr/> 17,015,877	
SURPLUS revenue this year.....	152,318	
Add the surplus of former years .....	7,230,604	
	<hr/>	
State of the REVENUE at the end of 1815-16—		
SURPLUS .....	7,382,922	
	<hr/>	
Increase of INDIAN DEBT this year..	618,127	Papers, Feb. 1830, No. 4, p. 27.
In addition to the former increase ..	24,869,848	
	<hr/> £25,487,975	

Papers, Feb. 1830, No. 2, p. 14.	In 1816-17, the gross revenues amounted to....	£18,010,135
Do. p. 15.	The charges, including those on ceded and conquered countries .....	15,129,839
Do. do.	Net charge of Bencoolen, Prince of Wales's Island, &c. ....	107,667
Do. do.	Net charge of St. Helena.....	97,705
Do. do.	Territorial charges paid in England..	1,265,550
	Interest on the debt of 1793.....	426,847
		<hr/> 17,027,608
	SURPLUS revenue this year.....	982,527
	Add the surplus of former years .....	7,382,922
		<hr/>
	State of the REVENUE at the end of 1816-17 —	
	SURPLUS.....	8,365,449
		<hr/>
Papers, Feb. 1830, No. 4, p. 27.	Increase of INDIAN DEBT this year..	548,298
	In addition to the former increase ..	25,487,975
		<hr/> £26,036,273
		<hr/>

At this period, so far from having found it necessary to incur an additional debt of 26,036,273*l.* to make good deficiencies of territorial revenue, it is perceived that the accumulations of surplus revenue, if preserved inviolate from the exactions of commerce, would have been sufficient to discharge the debt of 1793 ; having during the interval furnished the means of keeping down the interest : and in strict agreement with the object

before us, viz., to separate what is real, from that which is factitious in the accounts, and to exhibit the true bearing of each branch of the Honourable Company's affairs upon their present condition; in the succeeding year the payment of the principal of that debt will be charged against territorial revenue, thereby relieving the account, in conformity with the rule laid down by the Honourable Committee, from all future charge of interest.

In 1817-18 the gross revenues amounted to.....	£18,305,265	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries.....	15,844,964	Do. p. 15.
Net charge of Bencoolen, Prince of Wales's Island, &c.....	122,088	Do. do.
Net charge of St. Helena .....	97,705	Do. do.
Territorial charges paid in England	1,176,642	Do. do.
Principal of the DEBT OF 1793 dis- charged .....	7,971,668	
	<u>25,213,067</u>	
Leaving the amount of.....	6,907,802	
To be deducted from the former sur- plus of.....	<u>8,365,449</u>	
State of the REVENUE at the end of 1817-18, after paying off the debt of 1793. SURPLUS .....	<u>1,457,647</u>	
Increase of INDIAN DEBT this year	971,283	Papers, Feb. 1830, No. 4, p. 27.
In addition to the former Increase ..	26,036,273	
	<u>27,007,556</u>	



Papers, Feb. 1830.	In 1818-19 the gross revenues amounted to	....£19,392,002
No. 2, p. 14.	The charges, including those of ceded	
Do. p. 15.	and conquered countries.....	17,558,615
Do. do.	Net charge of Bencoolen, Prince of	
	Wales's Island, &c.....	112,519
Do. do.	Net charge of St. Helena .....	97,705
Do. do.	Territorial charges paid in England..	1,280,540
		<hr/> 19,049,379
	SURPLUS revenue this year.....	342,623
	Add the former surplus .....	1,457,647
		<hr/>
	State of the REVENUE at the end of 1818-19 —	
	SURPLUS .....	1,800,270

Papers, Feb. 1830.	Increase of INDIAN DEBT this year	2,692,990
No. 4, p. 27.	In addition to the former increase ..	27,007,556
		<hr/> 29,700,546

Papers, Feb. 1830.	In 1819-20 the gross revenues amounted to	.... 19,172,506
No. 2, p. 14.	The charges, including those of ceded	
Do. p. 15.	and conquered countries, &c... ..	17,040,848
Do. do.	Net charge of Bencoolen, Prince of	
	Wales's Island, &c.....	144,344
Do. do.	Net charge of St. Helena .....	97,705
Do. do.	Territorial charges paid in England..	1,415,446
		<hr/> 18,698,343
	SURPLUS revenue this year .....	474,163
	Add the former surplus .....	1,800,270
		<hr/>
	State of the REVENUE at the end of 1819-20 —	
	SURPLUS .....	2,274,433

Papers, Feb. 1830.	Increase of INDIAN DEBT this year..	2,438,822
No. 4, p. 27.	In addition to the former increase ..	29,700,546
		<hr/> 32,139,368

In 1820-21 the gross revenues amounted to . . . .	21,292,036	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries, &c. . . .	17,520,612	Do. p. 15.
Net charge of Bencoolen, Prince of Wales' Island, &c. . . . .	122,338	Do. do.
Net charge of St. Helena . . . . .	97,705	Do. do.
Territorial charges paid in England..	1,300,164	Do. do.
	<u>19,040,819</u>	
SURPLUS revenue this year . . . . .	2,251,217	
Add the former surplus . . . . .	<u>2,274,433</u>	
State of the REVENUE at the end of 1820-21 —		
SURPLUS . . . . .	<u>4,525,650</u>	
INDIAN DEBT paid off this year ..	333,014	Papers, Feb. 1830, No. 4, p. 27.
To be deducted from the former in- crease . . . . .	32,139,368	
	<u>31,806,354</u>	
In 1821-22 the gross revenues amounted to . . . .	21,753,271	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries, &c. . . .	17,555,668	Do. p. 15.
Net charge of Bencoolen, Prince of Wales' Island, &c. . . . .	110,111	Do. do.
Net charge of St. Helena . . . . .	97,705	Do. do.
Territorial charges paid in England..	1,377,884	Do. do.
	<u>19,141,368</u>	
SURPLUS revenue this year . . . . .	2,611,903	
Add the former surplus . . . . .	<u>4,525,650</u>	
State of the REVENUE at the end of 1821-22 —		
SURPLUS . . . . .	<u>7,137,553</u>	
INDIAN DEBT paid off this year . . . .	866,421	Papers, Feb. 1830, No. 4, p. 27.
To be deducted from the former in- crease . . . . .	31,806,354	
	<u>30,939,933</u>	

Papers, Feb. 1830, No. 2, p. 14.	In 1822-23 the gross revenues amounted to ....	23,120,934
Do. p. 15.	The charges, including those of ceded and conquered countries, &c. ...	18,083,482
Do. do.	Net charge of Bencoolen, Prince of Wales' Island, &c. ....	134,668
Do. do.	Net charge of St. Helena .....	120,093
Do. do.	Territorial charges paid in England	1,559,107
		<hr/> 19,897,350
	SURPLUS revenue this year .....	3,223,584
	Add the former surplus .....	7,137,553
		<hr/>
	State of the REVENUE at the end of 1822-3 —	
	SURPLUS .....	10,361,137

Papers, Feb. 1830, No. 4, p. 27.	INDIAN DEBT paid off this year....	1,751,997
	To be deducted from the former in- crease .....	30,939,933
		<hr/> 29,187,936

Papers, Feb. 1830, No. 2, p. 14.	In 1823-4, the gross revenues amounted to ....	£21,238,623
Do. p. 15.	The charges, including those of ceded and conquered countries, &c. ....	18,902,511
Do. do.	Net charge of Bencoolen, Prince of Wales's Island, &c. ....	145,008
Do. do.	Net charge of St. Helena. ....	112,268
Do. do.	Territorial charges paid in England..	1,153,866
		<hr/> 20,313,653
	SURPLUS revenue this year .....	924,970
	Add the former surplus .....	10,361,137
		<hr/>
	State of the REVENUE at the end of 1823-4—	
	SURPLUS .....	11,286,107

Papers, Feb. 1830, No. 4, p. 27.	INDIAN DEBT paid off this year....	2,342,925
	To be deducted from the former in- crease .....	29,187,936
		<hr/> 26,845,011

In 1824-25, the gross revenues amounted to....	£20,705,152	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries, &c.....	20,410,929	Do. p. 15.
Net charge of Bencoolen, Prince of Wales's Island, &c.....	169,828	Do. do.
Net charge of St. Helena.....	109,449	Do. do.
Territorial charges paid in England..	1,580,259	Do. do.
	<u>22,270,465</u>	
DEFICIENCY of revenue this year .....	1,565,313	
To be deducted from the former surplus .....	<u>11,286,107</u>	
State of the REVENUE at the end of 1824-5—		
SURPLUS .....	<u>9,720,794</u>	
Increase of INDIAN DEBT this year..	1,232,440	Papers, Feb. 1830, No. 4, p. 27.
In addition to the former increase....	<u>26,845,011</u>	
	<u>28,077,451</u>	

In 1825-26, the gross revenues amounted to....	£21,096,966	Papers, Feb. 1830, No. 2, p. 14.
The charges, including those of ceded and conquered countries, &c. ....	22,346,365	Do. p. 15.
Net charge of Singapore, Malacca, Prince of Wales's Island, &c.....	103,872	Do. do.
Net charge of St. Helena.....	110,413	Do. do.
Territorial charges paid in England..	1,817,232	Do. do.
	<u>24,377,882</u>	
DEFICIENCY of revenue this year .....	3,280,916	
To be deducted from the former surplus .....	<u>9,720,794</u>	
State of the REVENUE at the end of 1825-26—		
SURPLUS.....	<u>6,439,878</u>	
Increase of INDIAN DEBT this year..	6,132,766	Papers, Feb. 1830, No. 4, p. 27.
In addition to the former increase ..	<u>28,077,451</u>	
	<u>34,210,217</u>	



Papers, Feb. 1830, No. 2, p. 14.	In 1826-27, the gross revenues amounted to . . . .	£23,327,753
Do. p. 15.	The charges, including those of ceded and conquered countries, &c. . . .	21,424,894
Do. do.	Net charge of Sincapore, Malacca, Prince of Wales's Island, &c. . . .	93,473
Do. do.	Net charge of St. Helena . . . . .	114,500
Do. do.	Territorial charges paid in England..	2,429,894
		<hr/> 24,062,761
	DEFICIENCY of revenue this year . . . . .	735,008
	To be deducted from the former surplus . . . . .	6,439,878
		<hr/>
	State of the REVENUE at the end of 1826-27—	
	SURPLUS . . . . .	5,704,870
		<hr/>
Papers, Feb. 1830, No. 4, p. 27.	Increase of INDIAN DEBT this year ..	1,008,935
	In addition to the former increase. . . .	34,210,217
		<hr/> 35,219,152
		<hr/>
2 Rep. 1830, 4to.	In 1827-28, the gross revenues amounted to —	
p. 1148.	Bengal . . . . .	£14,921,982
p. 1156.	Madras . . . . .	5,338,637
p. 1166.	Bombay . . . . .	2,542,328
		<hr/> 22,802,947
Ditto.	The charges, including those of ceded and conquered countries, were —	
p. 1148.	Bengal . . . . .	11,774,627
p. 1156.	Madras . . . . .	6,007,546
p. 1166.	Bombay . . . . .	4,033,476
		<hr/> 21,815,649
Ditto.	Net charge of Prince of Wales's Island, &c. viz. —	
p. 1174.	Charges . . . . .	209,855
do.	Revenues . . . . .	45,079
		<hr/> 164,776
		<hr/> 21,980,425

Brought forward .....	21,980,425	
Net charge of St. Helena, viz. —		Ditto.
Civil charges ..	45,808	
Military do. ..	75,177	p. 1179.
Buildings, &c. .	1,989	Do.
	<u>122,974</u>	Do.
Revenues .....	3,398	
	<u>119,576</u>	
Territorial charges paid in England..	2,060,141	
	<u>24,160,142</u>	Papers, Feb. 1830, No. 2, p. 15.
DEFICIENCY of revenue this year .....	1,357,195	
To be deducted from the former surplus .....	5,704,870	
	<u>State of the REVENUE at the end of 1827-28 —</u>	
SURPLUS .....	4,347,675	
Increase of INDIAN DEBT this year..	4,633,682	
In addition to the former increase ..	35,219,152	
	<u>Total increase of Indian debt to</u>	
1827-28 inclusive .....	39,852,834	

In order to ascertain the result of the connexion between the Honourable Company's commerce and their territorial revenues, we have now only to compare the condition in which the latter would have been placed as above delineated by the operation of its own resources unfettered by extraneous claims, with the state in which it is actually found at the end of 1827-28—we perceive that it has furnished sufficient funds to remove all its former incumbrances, to leave itself entirely free from debt, and to supply a surplus to the treasury of . . . . . £4,347,675

Brought forward .....	£4,347,765
Instead of being made responsible, as it now is, for debt. viz. — Amount of Indian debt, 1793 .....	7,971,668
Additional since .....	39,852,834
	<hr/> 47,824,562
	<hr/> £52,172,177

This therefore, to say nothing at present of the additional obligation to provide in future two millions of annual interest, is ascertained, to be a burthen inflicted upon TERRITORIAL REVENUE, directly or indirectly, by the demands of COMMERCE in its involved ramifications and expensive establishments. There is no doubt that, with access to the materials in possession of the Company, it would be possible to point out, with at least a credible verisimilitude, the distinction between that portion of this large amount required for distribution in commercial dividends and interest, and that which has been absorbed by commercial charges and direct commercial losses. The books of the Company, avowedly kept upon the system adopted by merchants in extensive business, and these alone, can supply the information. In the mean time, and in the absence of documents, the only alternative is to appeal to the Honourable Company to specify the particulars wherein the preceding statements are erroneous—the result cannot be disturbed in any other manner than by

falsifying the facts, or adducing such others as may counteract their effect ; and these are not to be found in any of the papers I have examined. When they are produced and verified, they will be received and allowed their due influence upon the account ; and the only remaining subject of surprise will be, that they were not brought forward at an earlier period.

In the above 52,172,177*l.* are not included two distinct loans received by the Honourable Company, which constitute an addition to the debt due by commerce to territorial revenue, viz.

Loan from the Bank of England in 1812, charged with the interest to territorial revenue.....	£2,500,000
Interest thereon.....	1,307,985
Loan from the Nabob of Oude, liquidated by a grant of territory.....	1,109,975
	<hr/>
	£4,917,960

There is in this amount much more than a sufficient set-off against any claim for loss sustained by the Company's commerce from being credited for stores when used in India, rather than at the time of shipment, and losses on the passage, as alluded to in their "Exposition," (*vide p. 674.*)

I have also to remark, that although the charges of Bencoolen, Prince of Wales's Island, &c., including St. Helena, to 1808-9 .....	£5,069,114
And of St. Helena, separately, from 1809-10....	1,887,462
	<hr/>
Amounting together to .....	£6,956,576



appear in my accounts of territorial revenue and charges, it by no means follows, that they ought ultimately to be left as a debit against that account.—These establishments, as I understand them, served especially, if not exclusively, *commercial* purposes, and commerce should finally account to territory for the whole, or the greater portion of the amount with interest; we have here, therefore, a sum of 11,874,536*l.* with which commerce has not been debited, and which, if adequate materials were at hand, might properly be considered in connexion with the particulars enumerated in the Appendix, No. 51, to the Fourth Report, and with the inquiry, not undertaken by me, whether the Indian debt in 1793-4, was territorial or commercial.

It will be recollected that this sum of 52,172,177*l.* is not represented as the amount of loss upon the Company's general affairs, with which it is by no means necessarily connected, but simply as a debt due from commerce to territorial revenue. The PROFITS or LOSSES of the Company constitute a perfectly distinct ground of consideration, and would be most properly ascertained for any given time, by a comparison between the real state at the commencement, and at the termination of the period, if the papers furnished sufficient information to afford the hope of a successful in-

vestigation. There are materials in the appendix to the Company's "Exposition," No. 6, page 22, and No. 25 of the Papers printed Feb. 1830, which, however fallacious in themselves, serve to indicate in the most intelligible and conclusive manner the Company's own views upon the subject. In the former they have given a general statement of their affairs, admitting a "*deficiency*" thereon, 1st March, 1808, of 12,313,153*l*.

In the latter, we have the following particulars, constituting in like manner their view of the general state of their affairs on the 1st *May*, 1828.

"Total territorial and political debts abroad,  
1st May, 1827 .....£45,515,968

"Total territorial and political debts at home,  
1st May, 1828..... 9,457,484

"Commercial debts abroad, 1st May, 1827.... 114,126

"Commercial debts at home, 1st May, 1826 ... 1,596,332

"Company's home bond debt ..... 3,795,892

And it is remarkable, that the Company have in this document entirely *omitted to charge their concerns with the amount of their "CAPITAL."* 7,780,000

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Total debts and engagements, 1st May, 1828.. 68,259,802

"Total territorial and political credits  
abroad, 1st May, 1827 .....£26,934,663

"Total commercial credits abroad, do. 2,451,892

"Commercial credits at home and  
afloat, 1st May, 1828 ..... 20,990,435

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50,376,990

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Avowed *deficit*, (including "capital,") on the  
Company's general affairs, 1st May, 1828..£17,882,812

In this statement, the Company's dead stock in India is taken at 400,000*l.*, including buildings and fortifications, plate, household furniture, plantations, farms, sloops, vessels, stores, and other articles of dead stock : “ whereas the whole of the sums of money “ *expended in buildings and fortifications*, by “ the latest advices from the Company's several settlements, *for the acquisition and maintenance of their possessions*, and the nearest “ estimated value of other articles of dead “ stock is 15,169,426*l.*” The “ buildings and “ fortifications,” constituting by far the largest portion of this *expenditure*, however necessary “ for the acquisition and maintenance of “ their possessions,” will hardly be considered as available assets : there was *expended* upon these, from 1793-4 to 1827-8 at the three presidencies, 9,565,162*l.*, leaving 5,604,264*l.* of *expenditure* upon the other articles enumerated ; and the real question, which has not been discussed, will be, what portion of this *latter expenditure remains in good and disposable assets, beyond 400,000*l.* applicable to the creation of funds, to meet the above deficiency of 17,882,812*l.*?* If there be not more than sufficient to make good any over estimate there may be in the “ value of goods in England unsold,” and “ value of the East India “ house and warehouses” taken together at

7,531,325*l.*, and included in the above “ com-  
 “ mercial credits at home, and afloat outward,”  
 the deficiency before stated upon the gene-  
 ral affairs of the Company on the 1st May,  
 1828, will remain unaffected by them. Now,  
 if we compare the actual deficit on the 1st May  
 1828, 17,882,812*l.* with that of the 1st March  
 1808, 12,313,153*l.* the difference 5,569,659*l.*  
 is of course the additional “ deterioration,”  
 or Loss, during the intervening period.

We have here, therefore, two or three very  
 important results, from which there is no pos-  
 sibility of escape, as they are in effect at-  
 tested by the authority of the Honourable  
 Company.

1st. That the general state of their affairs  
 in 1808 was so unprosperous, as to exhibit  
 a *deficit* of . . . . . £12,313,153

2dly. That from 1808 to 1828, so  
 far from having been effec-  
 tually relieved by the surplus  
 profits of commerce, there had  
 been a further deterioration  
 or Loss of . . . . . 5,569,659

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Insomuch, that 3rdly, in May,  
 1828, there was a *deficiency of*  
*assets to meet their engagements*  
*and redeem their capital*, of no  
 less than . . . . . £17,882,812



It surely then behoves the Honourable Company to demonstrate, if possible, by a plain and perspicuous detail of verified facts, the fallacy of the statements exhibiting a large surplus of territorial revenue during the same period; for if these cannot be invalidated, the judgment that must inevitably be formed of the state in which their commerce would long since have been involved without the aid of that surplus, would lead to conclusions little favourable to the policy of its continuance.

For the convenience of reference, the whole subject of the territorial revenues and charges has been comprised in the accompanying Table (A); where it will be seen that in the period 1793-4 to 1827-8 inclusive —

The gross receipts of territorial revenue have	
been .....	£552,156,552
On account of the Chinsurah cause .....	54,601
Freight repaid by Government .....	289,076
And add, temporary loan .....	2,500,000
	<hr/>
	£555,000,229
The territorial disbursements, viz.	
charges, including those of ceded	
and conquered countries .....	£489,180,310
Net charges of Bencoolen, Prince of	
Wales' Island, &c. ....	5,069,114
Net charge of St. Helena, separately	
quoted from 1809-10 .....	1,887,462
Political and territorial charges paid	
in England .....	32,654,957

STATEMENT of the Revenues and Charges of British India, including the Territorial Charges paid in England from 1793-4 to 1827-8, assuming that there was a Debt due on Territorial account amounting on the 1st of May, 1793, to £7,971,668, with References to authentic Documentary Proofs and Illustrations. [Referred to in p. 742.]

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
References.	Years.	Debts.	Gross Revenue.	References.	Charges including those on Subsidies, and ceded, and conquered Countries.	Net Charges of Bencoolen, Prince of Wales Island, &c.	Net Charges of St. Helena.	Political and Territorial Charges Paid in England.	Interest adequate to the Apparent Debt.	Total Amount of Charges, including Interest.	Repayment of Debt.	Surplus Revenue of the Year.	Deficient Revenue of the Year.	Surplus Revenue, including the Surplus of preceding Years.	Deficient Revenue, including the Deficiency of preceding Years.	
App. to 4th Report, No. 10. p. 28. ....	1793, 1 May	7,971,668		App. 6, to 2nd Report, p. 87, and	6,066,924	40,822		171,392	b 256,205	6,805,343		1,471,427				a The charges for St. Helena are supposed to be included in those for Bencoolen, &c. until 1809-10, when they began to be separately stated.
App. 6, to 2nd Report, p. 86. ....	1793-4		8,276,770	App. 46, to 3rd Report, p. 60. ..	6,063,507	62,080		163,399	c 484,301	6,793,287		1,232,906		2,704,333		b e d e These are sums of interest charged by the East India Company in their tables for these years.
"	1794-5		8,026,193	"	6,474,247	104,150		199,128	d 414,750	7,192,279		673,815		3,378,148		f From this period until there appears a necessity for increasing the debt, I continue the interest at the same amount.
"	1795-6		7,866,094	"	7,081,191	101,190		375,097	e 426,847	7,984,325		91,846		3,409,994		g In this year I have considered the state of the revenue to require an additional loan of £2,500,000, which I have brought to the aid of the receipts, and charged annually an additional interest of £200,000 (at 8 per cent.) until repaid.
"	1796-7		8,016,171	"	7,411,401	163,299		203,784	f 426,847	8,205,351		145,451		3,265,543		h Received on account of the Chinsurah cause.
"	1797-8		8,059,880	"	8,417,813	120,668		300,736	g 426,847	9,266,064		614,031		2,557,512		i Including balance on the loan of £2,500,000
"	1798-9		9,736,672	"	8,998,154	171,363		273,817	h 426,847	9,870,181		133,509		2,517,003		j The estimate in Appendix 46, to 3rd report for these charges in 1809-10, is only £565,931.
"	1800-1		10,485,059	"	10,405,501	156,325		307,635	i 426,847	11,296,308		811,249		1,705,754		k There being surplus revenue at the beginning of this year to repay the loan of £2,500,000, I reduce the interest to the former amount.
"	1801-2		12,163,589	"	11,023,452	241,220		482,730	j 426,847	12,174,249		10,660		1,695,094		l The loan of 1806-7 discharged out of surplus revenue.
"	1802-3		13,464,537	"	10,965,427	196,848		393,207	k 426,847	11,982,329		1,482,208		3,177,302		m After charging in this year the repayment of the loan of £2,500,000, in 1806-7.
"	1803-4		13,271,385	"	13,001,083	304,056		435,224	l 426,847	14,167,210		895,825		2,281,477		n There being sufficient surplus of revenue at the commencement of the year to pay the whole debt, the interest ceases.
"	1804-5		14,949,395	"	14,548,433	372,163		485,604	m 426,847	15,833,047		883,652		1,397,825		o Repayment of the debt due 1st May, 1793.
"	1805-6		15,403,409	"	15,561,328	250,599		575,795	n 426,847	16,814,569		1,411,160		5,374,675		p After charging in this year the repayment of the debt due 1st May, 1793, £1,971,668.
"	1806-7	2,500,000	14,535,739	"	15,283,908	179,197		492,083	o 626,847	16,582,035		508,305		494,970		q As in this year the balance due to government on a loan of £2,500,000, in 1812, was paid, if this be included in the charges as well as the rest of the principal repaid and all the interest since 1812, the whole will be an addition to the surplus revenue, as the loan itself was not included in the receipts.
App. 28, to 4th Report, p. 85. ....	1807-8		15,669,905	"	13,624,622	128,737		505,797	p 626,847	14,886,003		783,902		1,278,872		
App. 6, to 2nd Report, p. 86. ....	1808-9		15,525,055	"	13,151,224	156,208		550,766	q 626,847	14,487,045		1,038,010		2,316,882		
"	1809-10		16,464,391	App. to Papers printed Feb. 1830, } No. 2, p. 15. ....	13,775,577	119,540	83,821	1,057,225	r 626,847	15,663,010		1,090,457		3,407,339		
App. to Feb. 1832, No. 2, p. 14. ....	1810-11		16,679,198	"	13,909,983	108,443	81,220	1,119,391	s 426,847	15,845,884		833,314		4,240,653		
App. to papers, Feb. 1830, No. 2, p. 14. ....	1811-12		16,605,616	"	13,220,967	86,434	81,854	1,077,768	t 426,847	14,893,870	2,500,000		788,254	3,452,399		
"	1812-13		16,459,774	"	13,659,429	118,357	82,992	1,378,760	u 426,847	15,666,385		793,389		4,245,788		
"	1813-14		17,228,711	"	13,617,725	114,703	95,254	1,212,413	v 426,847	15,466,942		1,761,769		6,007,557		
"	1814-15		17,231,191	"	14,182,451	112,163	92,087	1,194,596	w 426,847	16,008,144		1,223,047		7,230,604		
"	1815-16		17,168,195	"	15,081,587	127,853	97,705	1,281,885	x 426,847	17,015,877		152,318		7,382,922		
"	1816-17		18,010,135	"	15,129,839	107,667	97,705	1,265,550	y 426,847	17,027,608		982,537		8,365,449		
"	1817-18		18,305,265	"	15,844,964	122,088	97,705	1,176,642	z 426,847	17,241,399	7,971,668		6,907,802	1,457,647		
"	1818-19		19,392,002	"	17,558,615	112,519	97,705	1,280,540		17,971,668		342,623		1,800,370		
"	1819-20		19,172,506	"	17,040,848	144,344	97,705	1,415,446		19,049,379		474,163		2,274,433		
"	1820-21		21,299,036	"	17,520,612	122,338	97,705	1,300,164		18,698,343		2,251,217		4,525,650		
"	1821-22		21,753,271	"	17,555,668	110,111	97,705	1,377,884		19,040,819		2,611,903		7,137,553		
"	1822-23		23,120,934	"	18,083,482	134,668	120,093	1,559,107		19,141,368		3,223,584		10,361,137		
"	1823-24		21,238,623	"	18,902,511	145,006	112,268	1,152,866		19,687,350		924,970		11,286,107		
"	1824-25		20,705,152	"	20,410,920	169,828	109,449	1,580,259		20,313,653		1,565,313		9,720,794		
"	1825-26		21,096,966	"	22,346,365	103,872	110,413	1,817,232		22,377,465		3,280,916		9,398,878		
"	1826-27		23,327,753	"	21,424,894	93,473	114,500	2,429,894		24,062,761		735,008		5,504,870		
"	1827-28		22,802,947	"	21,815,649	164,776	119,576	2,060,141		24,160,142		1,357,195		4,347,675		
2nd Report of 1830 (4to.) pp. 1148, 1156, 1166. ....			£10,471,668	2nd Report of 1830 (4to.) and Papers } Feb. 1830, No. 2, p. 15. .... }	£489,160,310	£5,069,114	£1,887,462	£32,654,957	£11,389,043		£10,471,668					
Amount consisting of Revenue .....		552,156,552								540,180,886				550,652,554		
Chinsurah Cause .....		54,601								2,500,000				4,347,675		
Freight repaid by Government .....		289,076								7,971,668						
Temporary Loan .....		2,500,000														
			£555,000,229											£555,000,229		



Brought forward .....	£555,000,229
Do.....	£528,791,843
Interest adequate to the debts.....	11,389,043
And add, repayment of temporary loan .....	2,500,000
Ditto. of the debt of 1793 .....	7,971,668
	<hr/> 550,652,554
Leaving a surplus, as before stated of .....	<hr/> £4,347,675

Considering the nature of the proposition maintained by the Honorable Company, that Indian loans have been required to make good deficiencies of territorial revenue, it was to be expected that amidst the multiplicity of papers laid before Parliament, some statement would have been presented, which, combining the amount of the loans with the amount of the gross territorial revenue to the *debit* of the account, should have exhibited, by an enumeration of particulars, including the whole interest on the whole Indian debt to its *credit*, an amount of territorial disbursements *equal to the aggregate amount of receipts from both sources*. This would have been a very simple and intelligible method of convincing the incredulous that the principal of the debt was really required for the assistance of the revenue ; and it cannot fail to excite observation, that no such document is to be found. There are separate statements of revenue and Indian



charges — of Indian debts — of interest — of territorial charges paid in England ; but no summary exhibiting the effect of the whole brought into one point of view ; which nevertheless, so far as this enquiry is concerned, would seem to be the principal object of all these separate statements. This desideratum I have endeavoured to supply ; and in the accompanying Table (B) will be found every particular necessary to the elucidation of the subject. In column 4 is placed the annual increase of the debt by additional loans, constituting with the gross revenues, as given in column 3, the aggregate amount of receipts ; while in column 11, is shewn the diminution of debt, by repayment of loans, which being added to the other charges, as enumerated in columns 6, 7, 8, 9 and 10, and the amount of the whole deducted from the aggregate receipts, there is presented in column 12, *an annual surplus of receipts.*

It has already been in substance remarked, and indeed is self-evident, that if the whole of the funds accruing from territorial revenue and loans professedly raised for the service of the revenue, have been really expended upon territorial objects, there cannot possibly remain any surplus upon an account which contains the whole of those territorial disbursements ;

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	
References.	Years.	Gross Revenue.	Increase of Debt by additional Loans.	References.	Charges including those on Subsidies, and Ceded, and conquered Countries.	Net Charges of Bencoolen, Prince of Wales Island, &c.	Net Charges of St. Helena.	Political and Territorial Charges Paid in England.	Interest on Debts.	Diminution of Debt by Repayment of Loans.	Surplus remaining unapplied to Territorial Purposes, at the end of each year, including the Surplus of preceding years after 1793-4.	Remarks.	B
App. 6, to 2nd Report, p. 86. ....	1793-4	8,276,770	.....	App. 6, to 2nd Report, p. 86, & App. 7, to 2nd Report, p. 95, App. 46, to 3rd Report, p. 60.	6,066,924	40,822	.....	171,392	526,205	666,408	805,019	In this statement the Loan from the Nabob of Oude ..... 1,109,975	
Ditto	1794-5	8,026,193	.....		6,083,507	62,080	.....	163,399	484,301	506,325	1,531,600	And the Loan from the Bank of England ..... 2,500,000	
and App. 7, to 2nd Report, p. 95. ....	1795-6	7,866,094	336,950		6,474,247	104,154	.....	199,128	414,750	.....	4,581,062	With Interest thereon, ..... 1,307,965	
Ditto	1796-7	8,016,171	2,006,851	Ditto	7,081,191	101,190	.....	375,097	426,847	.....	5,982,387		
Ditto	1797-8	8,059,880	1,723,855	Ditto	7,411,401	163,299	.....	203,784	603,926	.....	6,791,431		
Ditto	1798-9	8,652,033	1,717,778	Ditto	8,417,813	120,668	.....	300,736	721,550	.....	7,542,303		
Ditto	1799-1800	9,736,672	1,414,770	Ditto	8,998,154	171,363	.....	273,817	957,236	.....	8,706,524	Are not introduced ..... £4,917,960	
Ditto	1800-1	10,485,059	2,611,307	Ditto	10,405,501	156,325	.....	307,635	1,062,684	.....	9,529,555		
Ditto	1801-2	12,163,589	1,793,437	Ditto	11,023,452	241,220	.....	482,730	1,386,593	.....	11,245,530		
Ditto	1802-3	13,464,537	1,168,373	Ditto	10,965,427	196,848	.....	393,207	1,361,453	.....	11,931,459		
Ditto	1803-4	13,271,385	2,549,229	Ditto	13,001,083	304,056	.....	435,224	1,394,322	.....	13,413,053		
Ditto	1804-5	14,949,395	3,505,149	Ditto	14,548,433	372,163	.....	485,604	1,566,750	.....	13,444,058		
Ditto	1805-6	15,403,409	2,875,408	Ditto	15,561,328	250,599	.....	575,795	1,860,090	.....	11,596,556		
Ditto	1806-7	14,535,739	1,742,302	Ditto	15,283,908	179,197	.....	492,083	2,224,956	.....	12,545,115		
Received on account of Chinsurah Cause, App. 46, to 3rd Report, p. 60. ..	1807-8	54,601	.....	Ditto	13,624,622	128,737	.....	505,797	2,225,668	.....	10,837,276		
App. 6, to 2nd Report, p. 86, and App. 7, to 2nd Report, p. 95. ....	1808-9	15,669,905	1,763,478	Ditto	13,151,224	158,208	.....	550,766	2,241,665	.....	11,484,830		
Ditto	1809-10	15,625,053	.....	Papers, Feb. 1830, No. 2, p. 15. ....	13,775,577	119,540	83,821	1,057,225	2,159,019	.....	7,276,722		
Papers, Feb. 1830, No. 2, p. 14, and No. 3, p. 25. ....	1810-11	16,464,391	1,089,269	Ditto, and No. 3, p. 25. ..	13,909,983	108,443	81,220	1,119,391	2,196,691	3,471,578	9,398,759		
Political freight, &c. received of Government, App. 46, to 3rd Report, p. 60.	1811-12	289,076	.....	Ditto	13,220,967	86,434	81,854	1,077,768	1,457,077	.....	9,417,022		
Papers, Feb. 1830, No. 2, p. 14, and No. 3, p. 25. ....	1812-13	16,679,198	.....	Ditto	13,659,429	118,357	82,992	1,378,760	1,491,870	.....	11,013,637		
Ditto	1813-14	16,605,616	1,440,521	Ditto	13,617,725	114,703	95,254	1,212,413	1,537,434	.....	12,832,497		
Ditto	1814-15	16,459,774	289,897	Ditto	14,182,451	112,163	92,087	1,194,596	1,502,217	.....	12,445,632		
Ditto	1815-16	17,228,711	945,433	Ditto	15,081,587	127,853	97,705	1,281,885	1,584,157	.....	12,683,834		
Ditto	1816-17	17,231,191	1,671,183	Ditto	15,129,839	107,667	97,705	1,265,550	1,719,470	.....	12,965,965		
Ditto	1817-18	17,168,195	618,127	Ditto	15,844,964	122,088	97,705	1,176,642	1,753,018	.....	14,335,650		
Ditto	1818-19	18,010,135	548,298	Ditto	17,558,615	112,519	97,705	1,280,540	1,665,928	.....	15,308,308		
Ditto	1819-20	18,305,265	971,283	Ditto	17,040,848	144,344	97,705	1,415,446	1,940,327	.....	15,323,926		
Ditto	1820-21	19,392,002	2,692,990	Ditto, and No. 4, p. 27. ..	17,520,612	122,338	97,705	1,300,164	1,902,585	.....	15,136,573		
Ditto	1821-22	19,172,506	2,438,822	Ditto	17,555,668	110,111	97,705	1,377,884	1,932,835	866,421	14,913,429		
Ditto	1822-23	21,292,036	.....	Ditto	18,083,483	134,668	120,093	1,559,107	1,694,731	1,751,997	11,843,025		
Ditto	1823-24	21,753,271	.....	Ditto	18,902,511	145,008	112,268	1,153,866	1,652,449	.....	10,049,719		
Ditto	1824-25	23,120,934	.....	Ditto	20,410,929	169,828	109,449	1,580,259	1,460,433	.....	11,325,628		
Ditto	1825-26	20,705,152	1,232,440	Ditto	22,346,365	103,872	110,413	1,817,232	1,575,941	.....	9,850,487		
Ditto	1826-27	21,096,966	6,132,766	Ditto	21,424,894	93,473	114,500	2,429,894	1,749,068	.....	11,208,417		
Ditto	1827-28	23,327,753	1,008,935	2nd Report of 1830 (4to.) pp. 1148, 1156, 1166, Revenue Accounts, May 1830, p. 59, Papers, Feb. 1830, No. 4, p. 27. ....	21,815,649	164,776	119,576	2,060,141	1,918,557	.....	39,852,834		
2nd Report of 1830 (4to.) pp. 1148, 1156, 1166, Revenue Accounts, May 1830, p. 59, Papers, Feb. 1830, No. 4, p. 27. ....	1827-28	22,802,947	4,633,682	1174, 1179, and Papers, Feb. 1830, No. 2, p. 15.						Balance, being Increase of Debt -----	11,069,699		
Amount consisting of Gross Revenue .....	552,156,552				£489,180,310	£5,069,114	£1,887,462	£32,654,957	£52,352,803	£50,922,533	39,852,834	Being added to the amount of Debt, 1st of May, 1793 .....	7,971,668
Receipt on the Chinsurah Cause .....	59,601		£50,922,533								866,421	Gives as the amount of Indian Debt in 1827-28 .....	47,824,502
Political Freight, &c. of Government .....	289,076										15,136,573	Which is stated in the Annual Revenue Accounts May, 1830 at .....	47,504,558
RECAPITULATION.		£552,500,229										Difference .... £	319,944
Receipts.													
Gross Revenue .....	552,156,552												
On the Chinsurah Cause in 1806-7 .....	54,601												
Political Freight, &c. from Government .....	289,076												
Increased Debt .....	39,852,834												
Disbursements.													
Charges including those on Subsidies, &c. ....	489,180,310												
Ditto Bencoolen, Prince of Wales's Island, &c. ....	5,069,114												
Ditto St. Helena, 1809-10 to 1827-28 .....	1,887,462												
Ditto Political and Territorial, paid in England .....	32,654,957												
Interest on Debts (being £90,963,760 beyond the sum of £11,208,417, which is shown by the former table to have been all that was necessary for Territorial Purposes) .....	52,353,063												
Surplus as stated, totally unaccounted for, if not applied to Commercial purposes .....	11,208,417												
	£592,353,063	£592,353,063											

There is therefore some discrepancy for which the printed papers are accountable.



but the Table (B) includes in the columns of charges *every item of territorial disbursement indicated by the Company, including all the interest upon the whole of the Indian debt as represented by themselves*—every particular, in short, adduced by the Honorable Company, in illustration and corroboration of their position, that the territorial charges and interest have been exclusively the occasion of the increase of Indian debt; and yet *the amount of all these added together, falls short of the aggregate amount of revenue and loans, in no less a sum than 11,208,417l.*

The Table (B) exhibits the following results :—

Gross revenue from 1793-4 to 1827-8 inclusive	£552,156,552
Received on the Chinsurah cause.....	54,601
Political freight received from government .....	289,076
Received from increased Indian debt .....	39,852,834
	<hr/>
	592,353,063
Charges, including those on subsidies ceded and conquered countries, &c. ....	489,180,310
Do. of Bencoolen, Prince of Wales' Island, &c. ....	5,069,114
Do. of St. Helena, 1809-10 to 1827-28	1,887,462
Political and territorial charges paid in England .....	32,654,957
Interest on Indian debt .....	52,352,803
	<hr/>
	581,144,646
Balance to be accounted for .....	11,208,417



Hence we perceive that after crediting the account with every item of disbursement denominated by the Honorable Company territorial, including many millions which it has been shewn can in no other than a legal technical sense be so considered, the whole is insufficient to account for the application of the funds received into the Honorable Company's treasury from territorial revenues and loans : there still remains a surplus of receipts amounting 11,208,417*l. altogether unaccounted for*. It would be absurd to suppose this sum remaining in the treasury, the Company omitting to bring it forward as an asset, in diminution of their deficit of 17,882,812*l.* ; yet there are but two alternatives ; either the Honorable Company have disbursed many millions of territorial charges, of which they have rendered no account ; or the amount has been applied in providing investments for China and England, and has long since been distributed in dividends amongst the proprietors.

There is a very clear distinction to be drawn between the amount of the *benefit to commerce*, and the extent of the *loss to revenue*, by these operations.—If we were to admit that upon the balance no more than 11,208,417*l.* has been received by commerce, it would by no

means follow, that no more has been extracted from revenue. It must be kept in mind, and a reference to column 12 of Table (B) will sufficiently illustrate the remark, that this is not the balance of a single year, of a late date: it has existed, varying in amount, during the last 34 years. So early as 1801-2, it had accumulated to 9,529,555*l.*, and from that time, upon an average of the whole period, has been upwards of 12 millions sterling for 26 years, during which Indian interest has been paid and charged, not to commerce, but to territorial revenue. We find that the whole amount of interest paid on Indian debt, 1793-4 to 1827-28, is . £52,352,803

While it is apparent, from Table

(A), that the interest required

upon debts properly territorial,

amounts to no more than . . . 11,389,043

---

The difference of . . . . . 40,963,760

Together with the balance of re-

ceipts on revenues and loans,

before stated . . . . . 11,208,417

---

Constitute the burthen which has

overwhelmed the territorial fi-

nances, and absorbed the sur-

plus produced by them, com-

pleting the amount given in

p. 736. . . . . 52,172,177

We shall find by a brief analysis of Mr. Melville's evidence, a remarkable exemplification of the process by which commerce, while it is subsisting by the aid of loans charged to territory, claims the credit of supporting, by its surplus assets thus accumulated, the territorial revenue.

Mr. Melville is the auditor of the Honourable Company's territorial accounts; and whoever has examined that gentleman's replies to the interrogatories of the Parliamentary Committees, will be convinced, that whatever could be effected by the combination of eminent talent, with distinguished zeal in the Company's service, would certainly be accomplished;—if the facts, by any effort of human ingenuity could have been moulded into a demonstration of the reality of commercial profits, and the existence of a debt due from revenue to commerce, the whole subject would have been presented in a clear and lucid statement that would have left nothing open to controversy; it is therefore no mean argument for scepticism, if we find assertion substituted for proof, where proof was peremptorily required for conviction.

In the second report of the Committee of the House of Commons, dated June 1830, pages 762 and 763, Nos. 5671 and 5673, Mr.

Melville's opinion is recorded, that from an early period, not stated, supposing the accounts had been separated "*upon the principles of separation now observed,*" there would have appeared a balance due from the territorial to the commercial branch in 1813-14 of 12,044,934*l.* and from 1814-15 to 1827-28 inclusive, a further balance of 19,384,774*l.*\* There can be no doubt of Mr. Melville's persuasion, that *upon the Company's construction of the scheme for separating the accounts*, such are the results; and it must not be forgotten that his declarations on this subject are usually, if not constantly, qualified by a reference to the "*principles of separation*" adopted by the Company in pursuance of a provision in the present charter. The first of these amounts being unaccompanied by any specification of receipts and disbursements whereon an examination might be founded, I can only oppose to it the most unqualified negation of my belief in its cor-

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\* Does Mr. Melville really wish it to be understood *as a matter of fact*, that in 14 years, from 1814-15 to 1827-8, there have been advanced, in aid of territorial revenue, 19,384,774*l.* of surplus commercial profits, earned by the Company over and above the amount distributed during the same period at home in dividends and interest on bonds? And if not profits, but surplus commercial capital, how was it obtained?



rectness *as a fact*, referring to the preceding statements in defence of my incredulity ; but with respect to the second, we are informed that it is deduced from a comparison of the territorial receipts from 1814-15 to 1827-28 amounting to 284,804,085*l.*, with the territorial disbursements for the same period amounting to 304,188,859*l.* : and these particulars afford an opening for investigation, of which I shall beg leave to avail myself.

By casting up the appropriate columns in the Table (B) *p.* 744, from 1814-15 to 1827-28 inclusive, we obtain the following account :—

Column 3. Gross revenues .....	284,616,976
Do 6. Charges including those of ceded and conquered coun- tries .....	252,898,414
Do 7. Net charge of Bencoolen, Prince of Wales' Island, &c....	1,770,708
Do 8. Net charge of St. Helena	1,462,321
Do 9. Territorial and political charges paid in England .....	20,893,206
To which must be added the several “ adjustments ” now first present- ed (including a sum of 1,300,000 <i>l.</i> which has certainly no right to be there) and amounting as extracted from the second report June, 1830, pages 764 to 766 to	2,921,957
	<hr/> 279,946,606
Surplus of revenue <i>exclusive of Interest</i> .....	4,670,370

Brought forward .....	£4,670,370
Column 10. Interest on Indian debt.....	*24,051,716
Surplus of disbursements <i>including Interest</i> ....	<u>19,381,346</u>

The account is here introduced to shew that this is the identical amount treated of by Mr. Melville as 19,384,774*l.* (the trifling discrepancy being disregarded) and consequently disclosing the materials from whence he collected his result. Now it is obvious that he can in no other manner arrive at it, than by charging the whole interest on Indian debt for the period, amounting as we see, to 24,051,716*l.* to territorial revenue. Bearing in mind, then, that we are now speaking distinctly of the account from 1814-15 to 1827-28, and without admitting any thing on the subject of debt or interest at an earlier date, we must still enquire what has happened *within this period* calculated to increase or diminish either of those items, or to affect the territorial revenue, fairly or unfairly, by its introduction as a charge against that account; and we find by reference to columns 4 and 11 of Table (B),

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\* Subject only to the payment of three years interest, 1814-15 to 1816-17 inclusive, on the debt of 1793, amounting, as shewn in Table (A), to 1,280,451*l.*

that from 1814-15 to 1827-28 inclusive, the INDIAN DEBT was increased in no less an amount than 16,654,169*l.* (bearing an interest for those years moderately estimated at four millions more, included in the 24,051,716*l.*, before mentioned.)

The next step in the enquiry is, who had the benefit of the principal of this debt?—certainly not territorial revenue, since it forms no part of the receipts from whence revenue was fully able to meet all its own engagements and leave a surplus of 4,670,370*l.* Why then is territorial revenue to be charged with 24,051,716*l.* of interest?—and further what account is to be debited with 16,654,169*l.* of additional loans cast into the common treasury, from whence *territorial revenue has abstracted nothing, but that with which it has already been charged; a sum not equal to the amount contributed to the same fund from its own proper resources.* But COMMERCE takes credit for an *advance* to territory, to enable the latter as it is alleged to disburse this enormous amount of interest; surely then we might have expected to find that commerce has been debited with the interest as well as the principal of the LOANS, from whence it must be admitted this advance was derived; but here again we are

astonished to learn that the whole has been debited, not to COMMERCE, but to TERRITORIAL REVENUE. First, the revenue is charged with interest upon a debt which it had manifestly no occasion to contract ; then with the principal of that debt ; and to complete the process, is finally made a debtor to commerce, or to the fund which commerce has exhausted, for the deficiency thus occasioned in its resources. I say the fund which commerce has exhausted, because, while that fund has been common only to "territory," and "commerce," we find by an exact account of its connection with the former, that it has not thereby been impoverished, but rather improved. What, then, is the infallible inference, but that if we could obtain a similar account of its transactions with the latter, divested of all mystery and separated from every thing extraneous, we should be able to exhibit in a specification of particulars, the degree in which it has been exhausted by the demands of COMMERCE.

Contemplating this development of the subserviency of territory to commerce, we are no longer surprised to find, in pages 795 and 796 of the 2d Report, June, 1830, the territorial receipts represented as deficient, and



and the commercial receipts redundant, upwards of thirty-seven millions ; we have only to transfer twenty-four millions of interest, and sixteen millions of new debt to the proper head of account, and the surplus will be, as it ought to be, on the side of territorial revenue for the period under consideration.

In page 798 of the same Report, we find a portion of Mr. Melville's evidence, which has a most important bearing upon this part of the subject.

5832 *Question by the Committee.* — “ Considering the difficulties that were experienced  
“ by the Committee of 1810, with reference  
“ only to the period between 1793 and 1813,  
“ is there not an insuperable difficulty in the  
“ attempt to carry back the separation be-  
“ tween the territorial and commercial ac-  
“ counts to a period antecedent to 1765, so as  
“ to shew that the commercial capital of the  
“ Company rests on a solid basis, and that  
“ the debt of India had its origin in territo-  
“ rial causes ?”

*Answer by Mr. Melville.* — “ I apprehend  
“ there must be great difficulty in arriving at  
“ an accurate result ; *but this difficulty is much*  
“ *less than it was when that Committee sat, be-*  
“ *cause a plan of separation has since been pre-*

“ *scribed, and the principles of it declared; so that all we have had to do in attempting to arrive at an approximative result, has been to apply those principles which were not known in 1810, to the accounts of years antecedent to 1814.*”

Quest. “ Those principles to which you allude, were fixed by the Board of Control ?”

Ans. “ Under the authority of Parliament.”

5834 Quest. “ *Then the actual expence applicable to the territory and to commerce must consequently depend on the correctness of the principles so fixed at that period?*”

Ans. “ NO DOUBT.—The plan of separation has been before Parliament since 1816; and accounts have annually been presented *framed accordingly.*”

If we duly consider this part of the evidence, we shall perceive, that with reference to the account between the two branches of the Company's affairs, the FACTS may really be of *secondary importance*; the “ *principles of separation*” may be paramount to every thing besides. What signifies to commerce the extent of its obligations, if by a prescribed arrangement it be permitted to transfer them to territory? or where is the necessity for commercial profits, if supplies can be had as the produce of loans, which are not to

be debited to commerce? That such had been the practice prior to 1814, may be inferred with certainty from the instructions of the Court of Directors to the Governor-general, accompanying the Act of 53 Geo. 3.;—in the 24th paragraph, we find this remarkable observation :

“ The difficulty of the process in the separation of the accounts at the winding up of the expiring period, may in some degree be increased by our orders of the 9th April, 1813, for the investment to be provided in the year 1814, *which exceed the amount in the contemplation of the Act since passed.*”

And in the following paragraph, the Court adverts to the “ description of funds which will be *hereafter* immediately applicable in India to the purposes of commerce,” viz. the repayment in India of advances in England for territorial account, the produce of the sale of exports from England, and any other funds strictly of a commercial nature. These, in the contemplation of the Act, are the only legitimate commercial funds; but the Honourable Court admits that *the orders for the investment of 1814 had exceeded the amount of the whole.* Those orders were transmitted in the ordinary course; they manifestly refer to an established practice. It is described as

a cause of embarrassment, that “hereafter” the excess “must be debited *in India to the “commercial branch;”* and no additional evidence can reasonably be required to prove, that at least before the passing of the Act of 1813, it had not been usual to charge to the commercial branch the excess occasioned by extra investments in India and China for England. We are thus incidentally presented by the Honourable Court with the explanation of this otherwise unaccountable accumulation of Indian debt, and consequent annual increase of interest. Year after year, the orders for investment had constantly exceeded in a large amount the commercial funds placed in India, from which alone they ought to have been provided; and the excess could only be supplied by surplus revenue and new loans. The Indian debt is therefore a COMMERCIAL DEBT; yet without the slightest reference to its nature or amount, (then already exceeding 22 millions, sterling), the act empowers the Company to charge the “interest accruing on the “debts owing, or which may be hereafter incurred” in India to territorial revenue. Even if the Company had thenceforward limited their investments for England to the amount of their commercial funds, still, with this unqualified licence in the Act itself to transfer



annually to territory between one and two millions of *interest*, properly appertaining to commerce, all other arrangements for separating the accounts are mere pretences. The single circumstance, that under colour of the Act 53 Geo. 3. sect. 55, the whole interest on Indian debt is annually charged to territorial revenues, without regard to the application of the principal, and without limitation as to the augmentation of the debt, is of itself sufficient to render the alleged "separation" perfectly delusive, because inconsistent with established fact;—it sanctions a visionary and fallacious representation of the Honourable Company's territorial, but more especially of their commercial affairs; and tends to ruin by the concealment of their actual condition.

My attention has been directed to a publication bearing the title of "A Review of the Financial Situation of the East India Company, in 1824," printed for Kingsbury, Parbury and Allen, in 1825. There are circumstances which confer upon the work a kind of demi-official character. The author, who was employed in the high official capacity of commissioner for the settlement of the ceded and conquered countries, and has since become a member of the Honourable Court of Directors, displays

throughout the work an intimate and extensive knowledge of the Company's concerns in *India* ; but having submitted his performance to public animadversion, it will not be considered disrespectful to him, if I presume to comment on some of his statements, and even to erect upon them a superstructure of a very different character from that of which they were intended to be the foundation. A principal object of the book is to controvert a conclusion of the well-known political economist, M. Say, in an essay of his, published in "*La Revue Encyclopedique*," and couched in in the following terms, "on est donc fondé  
 " a regarder la compagnie Anglaise des In-  
 " des comme une association, tout a la fois  
 " commercante et souveraine, qui, ne gag-  
 " nant rien ni dans sa souveraineté, ni dans  
 " son commerce, est réduite à emprunter  
 " chaque année de quoi distribuer à ses ac-  
 " tionnaires un semblant de profit."

This sweeping allegation, the author proposes to meet, by a "digest of the Company's  
 " accounts, for the purpose of removing mis-  
 " conception upon matters of fact, and of ex-  
 " hibiting a clear and connected view of the  
 " present condition of their finances."

In this digest, there are several statements which appear to me so strongly confirmatory of

the views disclosed in the preceding pages, of the extent of the territorial revenue of India, and the application of the surplus arising from it, that I am exceedingly desirous of fortifying myself by an authority of such competence, while impugning the dicta of other high authorities, by denying the necessity of a large territorial debt in India, for the purpose of supplying deficiencies in that revenue.

In pages 13 and 14, we have an account in rupees of the surplus and deficiency of Indian revenue, from 1792-3 to 1821-22, corresponding in substance with the quotations already given in sterling, upon which the author remarks in page 15 :—

“ If the revenues of India were not liable to  
 “ any deductions, the foregoing statement  
 “ would furnish a most satisfactory picture  
 “ of the financial resources of British India,  
 “ since, notwithstanding the many expensive  
 “ wars in which we have been engaged, we  
 “ should appear to have realized, within the  
 “ thirty years, a considerable surplus beyond  
 “ the local expenditure (including the interest  
 “ of the public debt) after deducting the defi-  
 “ cit, which occurred in particular years of the  
 “ term. But the surplus revenue realized in  
 “ India, cannot all be considered as clear and  
 “ independent income subject to no further

“ deduction, for there is a large disbursement  
 “ in this country on account of our Eastern  
 “ possessions which is not included in the  
 “ Indian accounts, but which properly consti-  
 “ tutes a charge upon the local revenue.  
 “ This disbursement was heretofore incon-  
 “ siderable, but from the augmentation of our  
 “ army, and other causes, it has gradually  
 “ increased, and it now amounts to a large  
 “ sum annually. No useful purpose would  
 “ be answered by exhibiting the particulars of  
 “ the home charge for a series of years, nor  
 “ indeed are there materials for a retrospect  
 “ beyond the year 1813, when the political  
 “ and commercial charges, were, for the first  
 “ time, separated and particularly distinguish-  
 “ ed ; and I shall therefore confine myself in  
 “ this place to a statement of the disburse-  
 “ ments in the two last years, which will suffi-  
 “ ciently shew their nature and extent.”

“ Statement of Territorial, or Political Charges,  
 “ incurred in England on account of India.

1821-2.

“ Military and marine stores, sup- “ plied from England . . . .	£306,489
“ Payments on account of fur- “ lough, and allowances to re- “ tired officers . . . . .	257,808
“ Passage money to officers and “ troops . . . . .	69,447



Brought forward . . . .	£633,744
“ Political freight, &c. . . .	142,944
“ Interest and charges on account	
“ of the Carnatic debt . . . .	85,123
“ Disbursements on account of St.	
“ Helena . . . . .	150,962
“ Ditto on account of Bencoolen .	479
“ Ditto on account of Prince of	
“ Wales’s Island . . . . .	2,426
“ Political charges, general (estab-	
“ lishments at the India House,	
“ &c.) . . . . .	371,070
“ Total .	<u>1,386,748</u>

1822-3. “ Military and marine stores .	348,426
“ Furlough and retired officers .	261,071
“ Passage money . . . . .	102,092
“ Political freight . . . . .	106,452
“ Carnatic debt . . . . .	96,013
“ St. Helena . . . . .	117,498
“ Bencoolen and Prince of Wales’s	
“ Island . . . . .	11,110
“ Political charges general . . .	391,665
“ Total .	<u>1,434,327</u>

This extract is produced to shew that the political and territorial charges paid in England as annually brought in a single line into my accounts of the revenue and charges, do

in the judgment of the author, constitute the whole of the additional charge to which the revenue is liable ;—and I ask no other concession to establish the validity of my deductions respecting the real amount of the surplus—nor do I find myself less effectually supported by the following observations on the subject of its application.

“ M. Say has perhaps considered that a p. 19.  
 “ corroboration of his assumption of a deficit  
 “ will be found in the rapid increase of the  
 “ public debt of India ; but it is very possible  
 “ for the *local* debt to increase even during the  
 “ existence of a territorial *surplus*, since that  
 “ surplus may be transferred to England or to  
 “ China for the purpose of discharging debt  
 “ or for other services, or it may become an  
 “ addition to the local assets (the cash ba-  
 “ lances, &c.) which constitute a fund appli-  
 “ cable to the liquidation of debt.

“ The government treasury was also I am p. 33.  
 “ aware, reduced to a low ebb at the period in  
 “ question, but this proceeded entirely from  
 “ our overstrained\* efforts to effect large remit-

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\* “ Excess of supply to London,

	1811-12, S.Rs. 3,46,49,832 at 2s.6d.	£4,331,229
“ Do.	1812-13, .. 2,71,49,075 .....	3,393,634
“ Estimated do.	1813-14 .. 1,80,00,000 .....	2,000,000
	<hr/> S.Rs. 7,97,98,907	<hr/> £9,724,868

“ tances to England. The living spring was  
 “ drained for the moment ; but it was not  
 “ destroyed.”

I might proceed to make other quotations, as at page 39, where the revenue is described as having in 19 years out of 30 realized a surplus ; and pages 41 and 42 where the surplus is estimated in a season of peace at two millions annually, subject to a reduction of one and a half million for territorial and political charges paid in England ; leaving a net territorial income to the East India Company from British India, of half a million sterling ; but it is most important to remark that the surplus spoken of, is the balance after charging the account of revenue with all the interest on the whole Indian debt, without inquiring how this accumulation of debt could have been necessary, in support of a revenue yielding a large surplus upon the whole term. I am quite aware that the true reason has been assigned in the “ overstrained efforts to effect large remittances to England.” But was it the object of these remittances to cover deficiencies of territorial revenue, when it is confessed that Indian revenue was fully adequate to bear its own burthens and yield a surplus ? Remittances of territorial revenue to England, we are perfectly sensible there ought to be, to

meet the territorial and political expences paid there; but if, upon these being added to all other charges against territorial revenue, there still remains a surplus of receipts, as admitted and indeed strongly insisted on by the author; could any necessity possibly arise from this cause or from any cause proper to territorial revenue, to contract a debt in India? Why then were these remittances to England of such an amount as to give occasion to this enormous debt, if not to support the Company's declining COMMERCE?—And here we arrive at a question which has never been satisfactorily disposed of either in the parliamentary papers or the publication before us; viz. to what *account* has this excess of remittance to England been carried? Has it been debited with the interest to commerce, before the calculation of commercial profits was made? Certainly not—it has been debited to territorial revenue. This exhibition of commercial profits then must needs be utterly fallacious, inasmuch as it is founded upon an account in which one of the principal ingredients properly belonging to it, is entirely omitted. No doubt the effect of so important an omission must be visible whenever we proceed to take a *general account* of the whole concerns of the Company, territorial and commercial; and



accordingly it is found that however prosperous these may be respectively represented when considered apart, yet no sooner are they united in one combined statement, than the truth is elicited, and the company are compelled to admit a growing "deterioration." This paradox must therefore be maintained, that the addition of two distinct PROFITS results in a LOSS; or the simple fact must be confessed that the *loss by commerce is greater than the gain by territorial revenue.*

*Nine and a half millions*, says the author, were remitted from India to England in three years, from 1811-12 to 1813-14; but these were certainly not required to pay *four and a half millions* of territorial charges incurred during the same period. It may be replied, that the remaining five millions were returns for consignments from England; but if so, the sales of the goods should have provided the returns, and if the amount produced by those sales and paid into the Indian treasury, was equal to the sum abstracted for remittances to England, there could be no necessity on that account for an increase of Indian debt. But let us admit for argument's sake, and only for that purpose, that the *invoice amount* of the shipments from England, adding as usual 10 per cent. for anticipated pro-

fit, was with the territorial payments there, equal to the extra remittances from India; the defalcation or necessity for Indian loans, being occasioned solely by unfavourable sales: still this is a *commercial* loss, the effects of which ought not to be visited as they constantly are on territorial revenue.

Having in the first chapter made good his position of a surplus Indian revenue, and in the second and third chapters, presented us with an interesting description of the sources from whence it is derived, and the mode of its collection; the author proceeds, in the fourth and concluding chapter, to announce his conviction, that as the territory of the Company in India is eminently productive, so likewise their commercial transactions are abundantly profitable. The subject is introduced in the following terms, (page 180.)—

“ After the review which has been taken of  
 “ the resources of the East India Company  
 “ abroad, I propose to *combine the territorial*  
 “ *with the commercial accounts*, in order to ob-  
 “ tain, as far as may be practicable, materials  
 “ for forming a correct judgment with respect  
 “ to the financial situation of the Com-  
 “ pany *generally*. It is not easy to form an  
 “ accurate estimate of the commercial con-  
 “ cerns of the Company, because they are not

“ required to submit to Parliament an account  
 “ of their profits or loss, and there is no di-  
 “ rect evidence from which we can deduce the  
 “ exact result of their commercial transac-  
 “ tions. The Court of Directors have, how-  
 “ ever, in their financial correspondence, late-  
 “ ly published, acknowledged on various oc-  
 “ casions the existenee of a commercial profit ;  
 “ and in a note subjoined to the last statement  
 “ of their commercial stock, it is expressly  
 “ declared, that ‘ the sum of 4,754,900*l.* ster-  
 “ ling has been advanced or set apart from  
 “ the surplus commercial profits in England  
 “ towards the liquidation of Indian territorial  
 “ debt.’

“ It is true, that the Company do not esti-  
 “ mate their gains or loss with that degree of  
 “ precision, which a private merchant would  
 “ consider necessary. They are their own  
 “ insurers ; and as the casualties at sea occur  
 “ very irregularly, the charge under this head  
 “ is never determinate, or equally distributed.  
 “ Nor is interest charged on the exact amount  
 “ of the capital employed in the trade, in-  
 “ cluding the cost of factories, warehouses,  
 “ and other buildings. Moreover, until the  
 “ late separation of the commercial and poli-  
 “ tical accounts, the customs in India, the  
 “ salaries of the Boards of Trade, and other

“ commercial establishments were not charged  
 “ on the investment ; and there are still, I  
 “ have reason to believe, various outlays inci-  
 “ dental to the trade, which do not constitute  
 “ a regular commercial charge ; for example,  
 “ the advances made to the manufacturers  
 “ are sometimes irrecoverable ; and although  
 “ the amount after a time is perhaps trans-  
 “ ferred to the account of ‘ dead stock,’ as a  
 “ desperate balance, the loss never appears  
 “ as a direct charge upon the trade. In par-  
 “ ticular seasons, the loss occasioned by bad  
 “ balances is very considerable, and this hap-  
 “ pens more especially in the instance of the  
 “ silk investment ; for as the rearing of the  
 “ silkworm is liable to be affected by different  
 “ natural causes, a failure not unfrequently  
 “ takes place ; and whenever this occurs, the  
 “ Company are the principal sufferers.

“ Without however enlarging on these and  
 “ other circumstances, which make it impos-  
 “ sible for me to ascertain with perfect pre-  
 “ cision the extent of the Company’s com-  
 “ mercial losses or gains, I shall proceed to  
 “ examine those documents which may enable  
 “ us to arrive by an approximation at the pe-  
 “ cuniary results of their trade.

“ It is evident, that if we can obtain satis-  
 “ factory evidence of the Company’s situa-



“ tion at two given periods, at some distance  
 “ from each other, a comparison between  
 “ them will furnish a strong presumption with  
 “ respect to the intervening events. If we  
 “ can show that the Company are richer at  
 “ the present period than they were nine or  
 “ ten years ago, the inference necessarily is  
 “ that they have realized a profit in the in-  
 “ termediate term. If they have become  
 “ poorer, they must of course have sustained  
 “ a loss.”

To the proposed method of proceeding by a comparison of the Company's situation at two given periods, no possible exception can be taken ; but as the object is to enable us to form a “ correct judgment with respect to the “ financial situation of the Company *generally*,” the comparison, to be just and conclusive, must be between their *general condition* at the former and the latter date ; and the more especially as we are expressly apprized of the difficulty of arriving at “ an accurate estimate “ of the *commercial* concerns of the Company, “ separately.” Now in the very document referred to, viz. the “ annual revenue accounts, “ printed March, 1816.” No. 23, page 68, the Company have given us a view of their actual condition at the first of the periods selected. They have explicitly admitted a “ deficiency”

upon the whole of their affairs, territorial and commercial, in 1814-15, (exclusive of the capital of 7,780,000*l.*) of 2,611,311*l.* and this, to be consistent with the professed intention “*to combine the territorial with the commercial accounts,*” should certainly have been the amount taken as the groundwork of his comparison with a result similarly obtained at a later period. But the writer apparently considering that he had already disposed of territorial revenue, and had now only to deal with the commercial branch, proceeds to assume upon the authority of the Company, that there was in 1814-15 a net balance of what they are accustomed to denominate *commercial* assets, *distinct from the rest of their concerns*, amounting to 15,815,594*l.* Upon the same authority it is found that there was a net balance of *commercial* assets in 1822-23 amounting to 19,446,189*l.*, and the increment of 3,630,595*l.*, is treated as *commercial profit* realized during the interval. But this result, like all the similar statements presented by the Honourable Company to Parliament, proves nothing at all with respect to PROFIT OR LOSS, until by a *general account* it is ascertained whether some other branch of the Company’s concerns has not sustained a decrease in proportion to this increase.

Let us suppose that during this period there had been *an additional sum of two millions* applied in India to the purchase of investments for China and England, the payments and shipments at home continuing the same. We know what would have happened; these investments immediately on their arrival in London become “commercial assets.” In the mean time the Indian treasury has been impoverished by this abstraction of its funds, but is readily replenished by a new loan to be charged with the accompanying interest to territorial revenue. Yet these additional two millions would infallibly have found their way into the commercial account consulted by the author, and would have presented instead of 3,630,595*l.*, a surplus of “commercial assets” amounting to 5,630,595*l.*, which, by the same reasoning, would have been *commercial profits realized in the interval*. But would the profits or the prosperity of the Company have been augmented two millions by this operation? The answer is so obvious as to render further illustration gratuitous.

In the sequel we have several additional postulates of a very encouraging description; such as the following, “That a profit is drawn  
“ from the Company’s trade after providing  
“ for the dividends to the proprietors, and the

“ interest of the bond debt, and after defray-  
 “ ing all the expences of their establishment  
 “ abroad and at home to the estimated amount  
 “ of 450,000*l.* per annum.”

“ That the net income of the Company,  
 “ territorial and commercial, during a period of  
 “ peace, may accordingly be assumed at  
 “ about one million sterling per annum, which  
 “ is applicable to the gradual liquidation of  
 “ debt, or to the augmentation of their com-  
 “ mercial capital.”

“ That since the commencement of the pre-  
 “ sent charter an improvement has taken place  
 “ in the financial situation of the Company,  
 “ *territorial and commercial, abroad and at home,*  
 “ to the extent of near three millions sterling,  
 “ notwithstanding our having been engaged  
 “ intermediately in several expensive wars.”

All very agreeable speculations, but not corollaries fairly deduced from premises previously established; and unhappily these pleasing retrospections and anticipations were destined speedily to sustain a somewhat embarrassing interruption. They were penned in 1825, and the Company subsequently deliver a *general statement* of their affairs to 1827-28, from which, by the most extraordinary omission that ever was heard of in a merchant's balance sheet, the CAPITAL is excluded; but



which upon an “adjustment” discloses in lieu of profit a “deterioration” of several millions. I may therefore be permitted to adopt the conclusion suggested by the author, that “if they have become poorer they must “of course have sustained a loss.”

I have not seen any *general statement* of the affairs of the Company in *India and England* of a later date than 1828, but there have been printed *separate* accounts of the territorial revenue for 1828-29 and 1829-30, and calculations of profit and loss in England and between India and China for those years; the former are indeed presented as estimates, but being undoubtedly founded upon the Honourable Company’s advices, will probably not be found greatly inaccurate: they are as follow—

Papers,  
Feb. 1830,  
No. 2, x.  
p. 26\*.

In 1828-9 the gross revenues were—

Bengal .....	£15,068,400
Fort St. George ....	5,531,016
Bombay .....	2,689,288
	————— £23,288,704

The charges, viz.—

Bengal.....	10,724,622
Fort St. George ....	5,271,411
Bombay .....	3,739,971
	————— 19,736,004

Brought forward, revenues .....	£23,288,704	
Ditto, charges ..	£19,736,004	
Net charge of Prince of Wales's Island, Sincapore, and Malacca, viz. charges .....	170,086	Papers, Feb. 1830, No. 2, p. 26.
Revenue .....	61,613	
	<hr/>	
	108,473	
Net charge of St. Helena .....	112,803	Ditto.
" Political charges paid in England, " including invoice amount of ter- ritorial stores consigned to India" ..	1,967,405	Ditto.
Interest on debts .....	£2,008,205	Ditto.
	<hr/>	
SURPLUS revenue this year, exclusive of interest on debts .....	£1,364,019	
	<hr/>	
.		
<hr/>		
In 1829-30 " Total estimated revenue of India," including the revenues of Penang, Sincapore, and Malacca .....	£22,054,416	Papers and Accounts, 1830, No. 22 p. 2.
Charges including those of Penang, Sincapore, and Malacca .....	18,888,702	Ditto.
Expence of St. Helena .....	93,004	Ditto.
" Political charges incurred in En- " gland, including invoice amount " of stores consigned to India" ..	1,742,162	Ditto.
Interest on debts .....	£2,139,117	Ditto.
	<hr/>	
SURPLUS revenue this year, exclusive of interest on debts .....	£1,330,548	
	<hr/>	

The Honourable Company's Statement of Profit and Loss  
in 1828-29 and 1829-30, is as follows :

App. to 2 Rep. 1830 p. 1128.	1828-29.	Profit.	Loss.
	Upon imports from India in 1828-9 ....		507,627
Ditto.	Upon exports to India 1827-8 ....		18,835
Do. p. 1130.	Upon imports from China 1828-9 ....	763,434	
Do. p. 1132.	Between India and China 1827-8 ....		70,470
Do.	On teas sent to Canada 1828-9 ....	8,887	
Do.	On teas sent to Halifax 1828-9 ....	6,083	
	Balance of profit 1828-9 ....		181,472
		<u>£778,404</u>	<u>778,404</u>

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Accounts & Papers 1830 No. 20, p. 2.	1829-30.	Profit.	Loss.
	Upon imports from India in 1829-30 ....		519,541
Do.	Upon exports to India 1828-9 ....		66,399
Do.	Upon imports from China 1829-30 ....	650,377	
Do.	Between India and China 1828-9 ....		68,605
Do.	On teas sent to Canada 1829-30 ....	14,270	
Do.	On teas sent to Halifax 1829-30 ....	5,785	
	Balance of profit 1829-30 ....		15,887
		<u>£670,432</u>	<u>670,432</u>

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From these supplementary documents may be deduced the following sketch of the result of the Honourable Company's transactions in England and India, for the two years ending April 1830 ; but without admitting for any other than the present purpose, the reality of

a profit on the imports from China to the amount stated.

IN ENGLAND.		Profit.	Loss.
1828-9.	On exports and imports—Bal.	181,472	
1829-30.	On ditto ..... ditto	15,887	
1828-9.	Dividends on stock	630,000	
	Interest on bonds..	158,000	
			788,000
1829-30.	Ditto....do....do. ....		788,000
IN INDIA.			
1828-9.	Surplus of revenue, exclusive of interest .....	1,364,019	
	Interest on Indian debt ....		2,008,205
1829-30.	Surplus of revenue, exclu- sive of interest .....	1,330,548	
	Interest on Indian debt....		2,139,117
Balance—Loss .....		2,831,396	
		<u>£5,723,322</u>	<u>5,723,322</u>

We perceive, then, that in these two years the Honourable Company's affairs, commercial and territorial, have further deteriorated in no less a sum than 2,831,396*l.*, and as it is only what is of the nature of profit or loss, which can operate to the improvement or declension of their condition, it necessarily follows, that any general statement of their concerns in India and England, ending 30th of April 1830, to be consistent with the facts above specified, must exhibit a DEFICIT OF UPWARDS OF TWENTY MILLIONS STERLING, *viz.*



Deficiency, 30th of April 1828 .	£17,882,812
Loss in the two years, ending 30th of April 1830 . . . . .	2,831,396
	<hr/>
	£20,714,208

This may not be considered a very flattering representation of the Honourable Company's affairs, but it is that presented by the papers laid before Parliament; and the result of the last two years, 1829 and 1830, may be thus briefly recapitulated.

IN INDIA, the Company have had in those <i>two years</i> , a surplus re- venue of . . . . .	£2,694,567
Charged with the payment of In- terest on Indian debt . . . . .	4,147,322
	<hr/>
Deficiency in INDIA . . . . .	£1,452,755

IN ENGLAND, the Company's com- mercial profits for the <i>same two</i> <i>years</i> , are stated at . . . . .	197,359
Which are charged with the pay- ment of dividends and interest . . . . .	1,576,000
	<hr/>
Deficiency in ENGLAND . . . . .	£1,378,641

**ROBT. WILKINSON,**  
3, Copthall Buildings.  
London, 30th June 1831.

On the preceding Report it would be superfluous to offer a single comment ; it stands on its own merits. Its results are deduced from official accounts professing to contain  
 “ EVERY CHARGE INCURRED IN THE GOVERN-  
 “ MENT AND DEFENCE OF THE TERRITORIAL  
 “ POSSESSIONS IN INDIA.”\* The remarks of the Select Committee of the House of Commons are so full and pertinent on this head, that they are here subjoined, as being of use to compare as well with my general Table in *page 662*, as with Mr. Wilkinson’s Tables A. and B. in *pages 742 and 744*, and the whole tenor of his able Report.

“ Referring to the total of the military  
 “ charges in the statement marked No. 6, (one of the documents from which both Mr. Wilkinson’s Tables and mine have been constructed,) it will appear that they progressively increased in amount, first, from the  
 “ year 1795-6 to the year 1801-2 inclusive,  
 “ which was almost entirely a period of active  
 “ warfare. *Ceylon, Malacca, and the Eastern*  
 “ *Islands were conquered*, which with the main-

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\* Second Report of Select Committee, 1810. p. 14.

“ tenance of Ceylon to December 1801, and  
 “ of the other conquests till the year 1801-2,  
 “ added considerably to the expence in each  
 “ year. After that period the military charge  
 “ in this instance is included under the head  
 “ of Dutch settlements. *An expedition was*  
 “ *prepared on a large scale to proceed against*  
 “ *Manilla*, though ultimately abandoned, it  
 “ occasioned a considerable addition to the  
 “ expenses of 1797-8. *The expedition to Egypt*  
 “ *fell upon the charges from the year 1798-9 to*  
 “ 1801-2; and in a small degree on 1802-3.  
 “ Upon the Peninsula, the *French and Dutch*  
 “ *settlements were captured* immediately after  
 “ the commencement of the war with those  
 “ powers; but the most material addition to  
 “ the military expenses upon the continent of  
 “ India, between the years 1796-7 and 1802-3,  
 “ was occasioned by the *concert which existed*  
 “ *between the French, Zemaun Shah, and Tip-*  
 “ *poo Sultaun*, from whence arose the appre-  
 “ hension of invasion by Zemaun Shah on the  
 “ north-west frontier of Bengal, *and the war*  
 “ *with Tippoo Sultaun* which ended in 1799.  
 “ The necessary consequence of these circum-  
 “ stances was an increase of the armies of  
 “ Bengal and Madras, and *an enhancement of*  
 “ *the military charges of all the Presidencies by*

“ *the addition of field allowances and expenses.*  
 “ In the year 1802-3, the charges are shewn  
 “ to have decreased in a considerable amount,  
 “ (near a million). The war with the Euro-  
 “ pean enemies having ended in 1801, and  
 “ peace existing with the Native Powers of  
 “ India, expectations were entertained that  
 “ the expenditure of the year would have been  
 “ reduced to a peace establishment ; in which  
 “ case a decrease of charge would have been  
 “ exhibited in a much larger amount ; but the  
 “ charge of that year included part of the ex-  
 “ penses of the expedition to Egypt ; and for  
 “ the field charges of the Madras army from  
 “ November 1802, previously to the breaking  
 “ out of the war with the Mahrattas in 1803-4,  
 “ *the effects of which are shewn in that, and the*  
 “ *three following years ;* although this war may  
 “ be said to have ended in December 1805,  
 “ when a treaty of peace was concluded with  
 “ Holkar. Notwithstanding the effect of the  
 “ restoration of peace upon the continent of  
 “ India is shewn in the reduction of the  
 “ charges of 1807-8 and 1808-9, the amount  
 “ in each of these years may be considered as  
 “ still very high, compared with the year  
 “ 1802-3 ; but the cause of it is to be found  
 “ for the most part in the permanent additions



“ made to the military establishments since  
 “ that period, both of His Majesty’s troops,  
 “ and the Company’s ; of the former seven  
 “ regiments of foot, and of the latter twelve  
 “ regiments of Native infantry, and three re-  
 “ giments of Native cavalry, the aggregate  
 “ expense of which might be estimated at an  
 “ amount exceeding a million sterling.

“ From the observations already made, it  
 “ must be inferred that the military charges  
 “ in each year of the column of the statement  
 “ have been encreased in a very considerable  
 “ degree *by the contingent or extraordinary*  
 “ *expenses of war.* It would be extremely  
 “ difficult, if practicable at this time, to make  
 “ a calculation of those expenses.. It is like-  
 “ wise to be inferred, that those charges have  
 “ been gradually encreased by the modifica-  
 “ tions of, or additions, to the established force  
 “ from time to time.”\*

Under the sanction of this authority—and  
 more, if necessary, might be quoted to the  
 same effect—it is impossible to suspect even  
 that the revenue, or territorial accounts, do  
 not contain, what they profess to contain, viz.

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\* Second Report of Select Committee, pp. 41—42.

the *total annual amount* of the Company's territorial receipts and disbursements. The deductions, both of Mr. Wilkinson and myself, are consequently founded on this conviction ; but if this should not be the case—if it should happen to be discovered at this eleventh hour, that other accounts have been withheld, and are now to be brought forward to elucidate a point of so much importance as the origin of the Company's debt, which involved the Committee of 1810 in so much perplexity, and which Parliament were persuaded—perhaps too hastily—to fix on territory, neither Mr. Wilkinson nor myself can fairly be accused of errors arising from such cause. Those alone must answer for them to whom the fallacy, or omission, may with justice be ascribed.

Mr. Wilkinson winds up his Report by shewing the deficit of the United Concern to be on the 30th of April 1828 . £17,882,812 (corresponding exactly with my

Statement, *p.* 589.)

To which he adds, losses in the two

following years . . . . . 2,831,396

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Making the deficit on 30th April

1830 . . . . . 20,714,208

Brought forward . . .	£20,714,208
But, as remarked in my above-mentioned Statement, if the capital stock is to be repaid to proprietors at the rate of 200 per cent.; there will be to be added the further sum of . . .	4,220,000
Making the total deficit . . .	* £24,934,208

Or to repeat the words of Mr. Mill, “ A  
 “ BALANCE OF LEGITIMATE CLAIMS WHICH  
 “ THERE IS NOTHING WHATEVER IN THE  
 “ SHAPE OF PROPERTY TO MEET.”

And this is the result of the Company's financial affairs, or of their United Concern, after an expenditure of surplus revenue, from 1765 to 1792-3, of . . . £23,501,239  
 Ditto ditto, from 1793-4 to 1828-9, of . . . 30,565,931  
 And a sum of interest on Indian debt amounting, from 1793 to 1830, to . . . 56,500,125  
 Besides a sum of interest on Indian

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\* This deficit would be greatly augmented if the asset account of upwards of 50 millions were dissected, on the principles adopted by a Committee of Proprietors in 1782, and adverted to in *pages 566 to 576, supra.*

debt, between 1765 and 1793, of  
 which we have no official ac-  
 count . . . . .

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The whole of which expenditure, *as far as the printed accounts submitted to Parliament can be relied on*, appears to be in excess of that required for territorial purposes, *including the expenses of all the wars sustained during the period reviewed*. It is, therefore, an appropriation of territorial funds, of which no satisfactory account has yet been rendered from any official quarter; and which, as well from the principles adopted to carry on the United Concern, as from the plain and obvious shewing of the accounts hitherto produced, we can only conclude, as before often observed, to have been absorbed in supplies to meet the disbursements, and repair the losses, of commerce.







St. Andrews

HB-1-4-66

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